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Blaenau Gwent

Our Ref./Ein Cyf.
Your Ref./Eich Cyf.
Contact:/Cysylltwch â:

THIS IS A MEETING WHICH THE PUBLIC ARE ENTITLED TO ATTEND

24th November 2023

Dear Sir/Madam

GOVERNANCE & AUDIT COMMITTEE

A meeting of the Governance & Audit Committee will be held in Via Microsoft Teams on Friday, 1st December, 2023 at 9.30 am.

Yours faithfully

Damien McCann
Interim Chief Executive

AGENDA

Pages

1. SIMULTANEOUS TRANSLATION

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation service will be provided if requested.

2. APOLOGIES

To receive.

3. **DECLARATIONS OF INTEREST AND DISPENSATIONS**
To receive.
4. **GOVERNANCE & AUDIT COMMITTEE** 5 - 10
To receive the decisions of the Governance & Audit Committee held on 18th October, 2023.

(Please note the decisions are submitted for points of accuracy only).
5. **ACTION SHEET** 11 - 12
To receive the Action Sheet arising from the meeting held on 18th October, 2023.
6. **FORWARD WORK PROGRAMME 2023-24** 13 - 18
To receive.
7. **GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2022/2023** 19 - 30
To consider the report of the Data Protection and Governance Officer.
8. **AUDIT WALES: WELL-BEING OBJECTIVE SETTING EXAMINATION – BLAENAU GWENT COUNTY BOROUGH COUNCIL** 31 - 50
To consider the report of the Interim Chief Executive.
9. **ANNUAL UPDATE REPORT – USE OF POWERS UNDER THE REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 2000** 51 - 54
To consider the report of the Head of Legal and Corporate Compliance.
10. **INTERNAL AUDIT PROGRESS 2023/24** 55 - 70
To consider the report of the Professional Lead - Internal Audit.
11. **CORPORATE RISK REGISTER Q2 2023 / 2024** 71 - 114

To consider the report of the Chief Officer Resources.

12. DRAFT STATEMENT OF ACCOUNTS 2022/2023

115 - 286

To consider the report of the Chief Officer Resources.

To: J. Absalom (Chair)
Councillor S. Behr (Vice-Chair)
Councillor D. Bevan
Councillor K. Chaplin
Councillor W. Hodgins
Councillor C. Smith
Councillor J. Wilkins
M. Veale

All other Members (for information)
Interim Chief Executive
Chief Officers

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COUNTY BOROUGH OF BLAENAU GWENT

**REPORT TO: THE CHAIR AND MEMBERS OF THE
GOVERNANCE & AUDIT COMMITTEE**

**SUBJECT: GOVERNANCE & AUDIT COMMITTEE
18TH OCTOBER, 2023**

REPORT OF: DEMOCRATIC OFFICER

PRESENT: JOANNE ABSALOM (CHAIR)

Councillors S. Behr
D. Bevan
K. Chaplin
W. Hodgins
C. Smith

WITH: Interim Chief Executive
Chief Officer Resources
Head of Democratic Services, Governance & Partnerships
Head of Legal & Corporate Compliance
Service Manager for Development and Commissioning
Service Manager – Registration, Elections & Corporate
Complaints
Service Manager – Performance & Democratic
Senior Business Partner – Capital and Corporate
Accounting
Data Protection & Governance Officer

**AND: Representing Audit Wales
Mr. Mike Jones**

DECISIONS UNDER DELEGATED POWERS

<u>ITEM</u>	<u>SUBJECT</u>	<u>ACTION</u>
No. 1	<p><u>SIMULTANEOUS TRANSLATION</u></p> <p>It was noted that no requests had been received for the simultaneous translation service.</p>	
No. 2	<p><u>APOLOGIES</u></p> <p>Apologies for absence were received from:</p> <p>Councillor Joanna Wilkins, Mr. Martin Veale, Chief Officer Commercial and Customer, Audit and Risk Manager, Professional Lead – Internal Audit and Deborah Woods – Audit Wales.</p>	
No. 3	<p><u>DECLARATIONS OF INTEREST AND DISPENSATIONS</u></p> <p>There were no declarations of interests or dispensations reported.</p>	
-----	<p><u>AGENDA ITEM ORDER</u></p> <p>It was agreed that the following items would be considered at this juncture in the meeting:</p> <p>Item No. 8 – Statement of Accounts 2021/2022 Item No. 7 – The Annual Letter of the Public Service Ombudsman for Wales 2022/2023</p>	
No. 8	<p><u>STATEMENT OF ACCOUNTS 2021/2022</u></p> <p>Consideration was given to the reports of the Chief Officer Resources and Auditor General for Wales.</p> <p>It was unanimously,</p>	

	<p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that on consideration of the report together with the External Auditor's report that the Statement of Accounts be approved under the delegated authority of the Council.</p>	
No. 7	<p><u>THE ANNUAL LETTER OF THE PUBLIC SERVICES OMBUDSMAN FOR WALES 2022/2023</u></p> <p>Members considered the report of the Head of Legal and Corporate Compliance.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that assurance had been provided that the process for the monitoring of complaints was robust and the performance information provided reflected these practices.</p>	
No. 4	<p><u>GOVERNANCE & AUDIT COMMITTEE</u></p> <p>The decisions of the Governance & Audit Committee held on 20th September, 2023 were submitted.</p> <p>It was unanimously,</p> <p>RESOLVED that the decisions be accepted as a true record of proceedings.</p>	
No. 5	<p><u>ACTION SHEET – 20TH SEPTEMBER, 2023</u></p> <p>The Action Sheet arising from the meeting held on 20th September, 2023 was submitted.</p> <p>It was unanimously,</p> <p>RESOLVED that the Action Sheet be noted.</p>	

<p>No. 6</p>	<p><u>FORWARD WORK PROGRAMME 2023/2024</u></p> <p>Consideration was given to report of the proposed Forward Work Programme 2023/2024.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the Forward Work Programme be accepted.</p>	
<p>No. 9</p>	<p><u>AUDIT WALES: DIRECT PAYMENTS FOR ADULT SOCIAL CARE</u></p> <p>The report of the Interim Corporate Director of Social Services was submitted for consideration.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the Committee was assured that the Council's Management Response identified in Appendix 2 would appropriately respond to the Audit Wales recommendations.</p>	
<p>No. 10</p>	<p><u>BLAENAU GWENT COUNCIL SELF-ASSESSMENT OF 2022/2023</u></p> <p>Members considered the report of the Interim Chief Executive.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the Committee was assured that the Council's Self-Assessment 2022/2023 was an accurate account of the effectiveness of performance management arrangements of the Council.</p>	

<p>No. 11</p>	<p><u>PUBLIC INTEREST REPORT – ASSURANCE REVIEW FINDINGS</u></p> <p>Consideration was given to the report of the Head of Democratic, Governance & Performance.</p> <p>It was unanimously,</p> <p>RESOLVED that the report be accepted and Option 1 be endorsed, namely that the findings of the Assurance Review be noted and the recommendations outlined below be agreed:</p> <ul style="list-style-type: none"> • A Link Officer be identified within the Council to establish regular liaison meetings with Gwent Archives and Gwent Crematoria by the end of March 2024. • A Member Briefing be organised on the operations and services provided by the Gwent Archives and Gwent Crematoria by the end March of 2024. • All relevant strategic documents, annual business plan and accounts for Gwent Archives and Gwent Crematoria be included in the Forward Work Programme for the Partnerships Scrutiny Committee for 2024-25, and Council where relevant, at least twice a year. • The Terms of Reference be developed into a ‘governance toolkit’ for use by officers across the Council for providing assurance against existing companies and in the event of the establishment of any new ones by the end of March 2024. 	
<p>No. 12</p>	<p><u>INFORMATION GOVERNANCE ANNUAL REPORT</u></p> <p>The report of the Data Protection and Governance Officer was submitted for consideration.</p> <p>It was unanimously,</p>	

RESOLVED that the report be accepted and Option 1 endorsed, namely that the information in the report be accepted which gave an assurance that appropriate oversight and monitoring was taking place and any shortfalls had appropriate controls in place to make the necessary improvements.	
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Blaenau Gwent County Borough Council

Action Sheet

Governance & Audit Committee

Meeting Date	Action to be Taken	By Whom	Action Taken
21 st June, 2023	<p><u>Item 9 – Annual Report of the Audit and Risk Manager 2022/2023</u></p> <p>➤ An update be provided on the three large investigations that had commenced during the year, at the appropriate juncture.</p>	Audit & Risk Manager	Update to be provided at the appropriate time. Action: ongoing

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Agenda Item 6

Cabinet and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Governance and Audit Committee**

Date of meeting: **1st December 2023**

Report Subject: **Forward Work Programme 2023-24**

Portfolio Holder: **Leader / Cabinet Member Corporate Overview and Performance**

Report Submitted by: **Scrutiny and Democratic Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		11.11.23	22.11.23					

1. **Purpose of the Report**
 - 1.1 To present the Forward Work Programme for 2023-24 (Appendix 1).
2. **Scope and Background**
 - 2.1 The Work Programmes are key aspects of the Council's planning and governance arrangements and support the requirements of the Constitution.
 - 2.2 The topics set out in the Forward Work Programme link to the strategic work of the Council as identified by the Council's Corporate Plan 2022-27, agreed by the Council in October 2022, corporate documents and supporting business plans.
 - 2.3 The Governance and Audit Committee Forward Work Programme is aligned to the Scrutiny Committee, Cabinet and Council Forward Work Programmes.
 - 2.4 The Work Programme is a fluid document and there is flexibility to allow for regular review between the Chair and the Committee.
3. **Options for Recommendation**
 - 3.1 **Option 1**
To accept the Forward Work Programme.
 - 3.2 **Option 2**
To suggest any amendments to the Forward Work Programme.

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Governance and Audit Forward Work Programme 2023/24

Topic	Purpose	Lead Officer
Meeting Date: 21st June 2023		
Forward Work Programme 2023/24	To agree the FWP for 2023/24	Scrutiny and Democratic Officer
Strategic Internal Audit Plan 2023-2028	To provide Members with the five-year strategic Audit Plan for the period 2023-2028.	Louise Rosser
Annual Report of the Audit and Risk Manager	To present the opinion of the Annual Opinion of the Audit & Risk Manager	Louise Rosser
Integrated Impact Assessment on the Civic Centre	To present the Integrated Impact Assessment the Civic Centre.	Ellie Fry / Bernadette Elias

Meeting Date: 12th July 2023		
Audit Wales Planning Review	To present the Audit Wales report.	Steve Smith
Annual Governance Statement 2021/22	To present the Annual Governance Statement (AGS).	Gemma Wasley

Topic	Purpose	Lead Officer
Meeting Date: 20th September 2023		
Internal Audit Charter	To provide an updated copy of the Internal Audit Charter.	Louise Rosser
Audit Plan Progress Report (Qtr 1)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
Corporate Risk Register (Qtr1)	To update Members on the Corporate Risk Register	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 18 th October 2023		
Annual Report of the Public Services Ombudsman for Wales 2021/22	To inform Members of the Council's performance regarding complaints to the Public Services Ombudsman for Wales.	Andrea Jones
Annual Self-Assessment of Council Performance 2022/23 To be published by 31st October each year	To present the Annual Self-Assessment of Council performance.	Sarah King
Review of Governance and oversight arrangements of companies of which the Council has an interest	Following the audit Wales review of Silent Valley and subsequent recommendation, the following companies will be included within this report: Gwent Crematorium Gwent Archives EAS ALT	Sarah King
Information Governance	To consider the report.	Steve Berry
National Audit Wales Study – Direct Payments for Adult Social Care	To present the Local Audit Wales report.	Tanya Evans
Statement of Accounts 2021/22	To present the 2021/22 Statement of Accounts and to consider the Authority's financial standing as at 31 March 2022.	Rhian Hayden
Audit of Financial Statements	To present the report.	Rhian Hayden

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 22nd November 2023		
Audit Wales – Examination of the Setting of Well-being Objectives	To present the Local Audit Wales report.	Damien McCann / Sarah King
Annual Report of the Governance and Audit Committee	To present the Annual report of the Committee.	Steve Berry / Chair
Audit Plan Progress Report (Qtr 2)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser
RIPA Activity	To report on authorised RIPA activity as per the Council's policy.	Andrea Jones
Draft Statement of Accounts 2022/23	To present for consideration the 2022/23 Draft Statement of Accounts and to consider the Authority's financial standing as at 31 March 2023.	Rhian Hayden
Corporate Risk Register (Qtr 2)	To update Members on the Corporate Risk Register	Louise Rosser

Topic	Purpose	Lead Officer
Meeting Date: 20th December 2023		
Items to be identified		

Meeting Date: 17th January 2024		
Audit Plan Progress report (Qtr 3)	To update Members on the progress against the Internal Audit Plan.	Louise Rosser

Meeting Date: 21st February 2024		
Statement of Accounts 2022/23	To present for approval the 2022/23 Statement of Accounts and to consider the Authority's financial standing as at 31 st March 2023.	Rhian Hayden
Audit of Financial Statements	To consider the report from the Council's External Auditors Wales Audit Office.	Rhian Hayden
Annual Governance Statement	To present the final Annual Governance Statement (AGS).	Gemma Wasley
Corporate Risk Register (Qtr 3)	To update Members on the Corporate Risk Register	Louise Rosser

Governance and Audit Forward Work Programme 2023/24

Meeting Date: 20th March 2024

Items to be identified		
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Meeting Date: 17th April 2024

Code of Governance	To present the revised Code of Governance for the Council.	Louise Rosser
Internal Audit Outturn 2023/24	To present the Internal Audit Outturn for 2023/24	Louise Rosser

Dates for Items to be confirmed

Audit Wales – Digital Strategy	To present the National and Local Audit Wales report.	Bernadette Elias
Audit Wales – Performance Data Review	To present the National and Local Audit Wales report.	Sarah King
Audit Wales – Unscheduled Care Project	To present the National Audit Wales report.	Tanya Evans / Alyson Hoskins
Risk Management Strategy and Risk Management Handbook	To present the updated Risk Management Strategy and Risk Management Handbook	Louise Rosser
Silent Valley Waste Services	To provide detail regarding the finalisation of the in-house transfer.	Rhian Hayden
Draft Annual Governance Statement 2022/23	To present the draft Annual Governance Statement (AGS).	Gemma Wasley
Audit Wales 2023 Audit Plan for BGCBC	To present the Audit Wales 2023 Audit Plan.	Rhian Hayden
BGCBC – Annual Audit Summary	To present the Audit Wales Annual Audit Summary.	Sarah King

Member Briefing Session

Review of progress against External and Internal Audit Recommendation	To provide an update to Members.	Various
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Agenda Item 7

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **1st December 2023**
Report Subject: **Governance and Audit Committee Annual Report 2022/2023**
Portfolio Holder: **Cllr Steve Thomas, Leader /Cabinet Member Corporate Overview and Performance**
Report Submitted by: **Steve Berry – Data Protection and Governance Officer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
		11.11.23	22/11/2023					

1. **Purpose of the Report**
 - 1.1 The purpose of the report is to provide the Governance and Audit Committee the Annual Report of the Committee.

2. **Scope and Background**
 - 2.1 In accordance with CIPFA's best practice there is a requirement for the Governance and Audit Committee to be held to account by the Council for the work they undertake. To support this the Governance and Audit Committee now prepare a yearly report to the Council on its achievements and demonstrate its accountability.
 - 2.2 The Governance and Audit Committee's Annual Report for 2022/23 (Appendix 1) provides the Council with the necessary information to demonstrate that it is meeting this requirement.

3. **Options for Recommendation**
 - 3.1 **Option 1**

That the Governance and Audit Committee considers and accepts the information in the report which is given as assurance that appropriate oversight and monitoring is taking place and any shortfalls have appropriate controls in place to make the necessary improvements.

Option 2

That the Governance and Audit Committee considers the information contained and provides specific comment.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

This topic relates to statutory regulation and compliance and also links to the Council's objective of an efficient Council within the Corporate Plan.

5. **Implications Against Each Option**
- 5.1 ***Impact on Budget (short and long term impact)***
The budget implications for this area relate to staff and committee member time in order to complete this work.
- 5.2 ***Risk including Mitigating Actions***
Failure to ensure that the Council is meeting its obligations under legislation can lead to significant problems.
- 5.3 ***Legal***
Much of the work undertaken by the Committee is to provide oversight on legal obligations on the Council.
- 5.4 ***Human Resources***
No direct implications
- 5.5 ***Health and Safety***
No direct implications
6. **Supporting Evidence**
- 6.1 ***Performance Information and Data***
Appendix 1 provides the relevant performance information.
- 6.2 ***Expected outcome for the public***
To provide assurance to the public of the Council's commitment and performance in these areas.
- 6.3 ***Involvement (consultation, engagement, participation)***
This is not an area in which public consultation or engagement is appropriate. Internal engagement on the operation of the Regulations and Policies is an ongoing process.
- 6.4 ***Thinking for the Long term (forward planning)***
The handling of requests and how the Council handles its obligations under the relevant legislation is under constant review in order to implement improvements when identified.
- 6.5 ***Preventative focus***
See above
- 6.6 ***Collaboration / partnership working***
All public bodies must adhere to the same legislation and are responsible for their own obligations.
- 6.7 ***Integration (across service areas)***
All service areas are subject to this legislation.
- 6.8 ***Decarbonisation and Reducing Carbon Emissions***
Not relevant to this topic

6.9 ***Integrated Impact Assessment (IIA)***

Not applicable

7. **Monitoring Arrangements**

7.1 Performance in this area will continue to be monitored by the relevant team and periodical reports provided to the Committee for oversight.

Background Documents /Electronic Links

- *Appendix 1 – BG GA Annual Report 2023*

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Blaenau Gwent County Borough Council

Annual Report of the Governance and Audit Committee 2022/2023

1. Foreword by Joanne Absalom, Chair of the Governance and Audit Committee

On behalf of all members of the Governance and Audit Committee, I am pleased to introduce the Committee's Annual Report for 2022/23. The report has been produced by Officers of the Authority and details work undertaken by the Committee during 2022/23.

The Governance and Audit Committee is a key component of the Council's governance framework and provides independent assurance on the effectiveness of its governance, risk, financial management, and internal control arrangements.

Throughout 2022/23 the Committee has been well supported by senior officers of the Authority, including the Chief Officer Resources, Head of Democratic Services, Governance and Partnerships, Chief Officer Commercial and Customer, Audit and Risk Manager, Professional Lead – Internal Audit and the Data Protection and Governance Officer. At various times throughout the year, where appropriate, the Committee has been able to discuss the findings of Internal Audit reports with a wide range of the Authority's officers. On each occasion the Committee has been reassured by the responses and follow up action outlined by Officers.

In September 2022 the Committee adopted its Terms of Reference which are set out as an Appendix to this report. As a Committee we are broadly satisfied that we have been able to fulfil our range of responsibilities, subject to a few exceptions:

- The draft Statement of Accounts for 2021/22 was presented to the Committee in November 2022. We were unable to formally adopt the Accounts during 2022/23 due to delays in the final external audit of the accounts. The delay with the external audit occurred as a result of the need to undertake an asset revaluation exercise following the implementation of a new Asset Register and the subsequent changes that needed to be made to the draft accounts. The 2021/22 accounts are now complete and work has continued into 2023/24 to finalise the Audit Statement.
- The Committee's work programme for 2022/23 included the regular review of updates of the Corporate Risk Register. These were delayed due to ongoing development of the Register and redevelopment of the Finance and Performance Report within the Authority. The Committee did receive training in Risk Management and its Work Programme for 2023/24 includes regular updates against the Authority's Corporate Risk Register (the first update being considered in September 2023).

- The Committee's responsibility to approve the Council's formal policies for combating fraud and anti-corruption will be discharged as part of its Work Programme for 2023/24. The Action Plan arising from the External Quality Assessment of Blaenau Gwent Internal Audit Services states that a Fraud Risk Register will be developed as part of the ongoing development of the Fraud Strategy (March 2024).

As Chair I would like to thank all Committee members for the productive and constructive way in which all discussions have been held over the last year, and for their valued contributions, thus ensuring that the Committee fulfils its role in an effective way.

Joanne Absalom

Chair Governance and Audit Committee

2. Introduction

- 2.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) define an Audit Committee as a 'Key component of an authority's governance framework. Its function is to provide an independent and high level of resource to support good governance and strong public financial management.'
- 2.2. CIPFA state that an "audit committee should be able to provide an overall view on the adequacy of assurance arrangements and the outcome of assurances received. If the committee is not effective councillors, leaders and senior officers cannot place reliance on its work."
- 2.3. The Blaenau Gwent County Borough Council Governance and Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.
- 2.4. The Audit Committee's role is also to increase public confidence in the objectivity and fairness of financial affairs and other matters of the Authority. The Governance and Audit Committee has a responsibility for ensuring there are adequate mechanisms in place to provide the Authority as a whole with independent assurance over the governance, risk management and internal control processes.
- 2.5. The Local Government (Wales) Measure 2011 (as amended by the Local Government and Elections (Wales) Act 2021) states that a Local Authority must appoint an Audit Committee to fulfil specific functions set out in the legislation. These are detailed in the Governance and Audit Committee's Terms of Reference outlined in the Council's Constitution (Sept 2022). It states the Committee's role and functions will be to:
 - 2.5.1. Review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs;
 - 2.5.2. Provide independent assurance of the adequacy of the risk management framework and the associated control environment;

- 2.5.3. Provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment;
 - 2.5.4. Oversee the financial reporting process.
 - 2.5.5. Oversee the effectiveness of the Council's complaints process (service complaints).
- 2.6. The full details of the Committee's Terms of Reference are held in Appendix A.
- 2.7. In supporting the Governance and Audit Committee deliver its terms of reference, there is a strong contribution from the independent members, the external advisors and regulators and the Internal Audit Team.

3. Work of the Governance & Audit Committee

Through the course of the year the Committee received a range of reports. These are detailed as follows:

Internal Audit Assurance

3.1.1 The Internal Audit Plan 2022-2027 detailing the 5 year strategic Audit Plan for the Council was presented to the Committee in July 2022. This was accepted by the Committee deeming it to provide sufficient coverage upon which the Audit and Risk Manager can provide an Annual Audit Opinion and enable the Governance and Audit Committee to fulfil its assurance role.

3.1.2 The Internal Audit Outturn Report 2021-2022 in July 2022 was presented detailing the Council's overall achievement against the Audit Plan for the 2021-22 period. This was accepted by the Committee.

3.1.3 In July 2022 the Committee received the Annual Report of the Audit and Risk Manager. This report was accepted and the annual opinion of the Audit and Risk Manager was noted as 'Based on the findings of the audit work undertaken during 2021/22, in my opinion, Blaenau Gwent County Borough Council's system of internal control during the financial year 2021/22 operates to a level which gives Reasonable Assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.'

3.1.4 Also in July 2022 the Committee received the report of the Governance and Audit Committee Forward Work Programme 2022-2023. This report detailed the intended topics of consideration by the Committee for the 2022-2023 period. This was accepted by the Committee. Updates to this Forward Work Plan were also received during the period and accepted by the Committee.

3.1.5 The Public Sector Internal Audit Standards (PSIAS) require the Authority to have an Internal Audit Charter that sets out the service's purpose, authority and responsibility. A report detailing this titled "Internal Audit Charter" was presented by the Audit and Risk Manager in July 2022 and approved by the Committee.

3.1.6 Throughout the course of the 2022-2023 period a number of Internal Audit Progress Reports have been presented to the Committee. These reports highlight the work undertaken by the Internal Audit Service and how they comply with the Public Sector Internal Audit Standards (PSIAS). These reports were all accepted by the Committee and the finding noted.

3.1.7 A report on the Quality Assurance Improvement Programme was presented and accepted by the Committee in line with good practice and the requirements of the Public Sector Internal Audit Standards (PSIAS).

Annual/Routine Reports

3.2.1 The Chief Officer Resources and Section 151 Officer along with the Senior Business Partner presented the Statement of Accounts 2016/2017 through to 2020/2021 for the Council in April 2022. For each year the Statement of Accounts had previously been submitted but due to ongoing work had been unable to be completed. However this issue had now been overcome and the Auditor General been able to certify the audit for each year as complete. These reports were accepted by the Committee under the delegated authority of the Council.

The Statement of Accounts for the 2021/2022 were unable to be accepted at this time but are expected to be signed off in the near future.

3.2.2 In addition to the Statement of Accounts the Audit of Accounts Reports for the years 2016/2017 to 2020/2021 was also presented to the Committee in April 2022. These were presented alongside the Statement of Accounts for the same years (see 3.2.1) and accepted by the Committee.

Officers answered a number of queries raised by members of the Committee. The draft Statement of Accounts 2022/2023 is due to be presented to the Committee in due course.

As above, the Statement of Accounts for 2021/2022 remained outstanding but are expected to be progressed in the near future.

3.2.3 In September 2022 the Committee received a report from the Data Protection and Governance officer for the Governance and Audit Committee Terms of Reference. Following a review of the Committee's Terms of Reference the new terms were put forward to the Committee and accepted for use.

3.2.4 The Annual Governance Statement was received by the Committee in September 2022. This report assessed the effectiveness of the Authority's governance arrangements and was accepted by the Committee.

3.2.5 The Council's Self Assessment 2021-2022 report was received in October 2022 and accepted by the Committee who were assured that the report was an accurate account of the effectiveness and performance arrangements at the Council.

3.2.6 In November 2022 the Committee received a report presented by the Data Protection and Governance Officer on behalf of the Head of Legal and Corporate Compliance regarding the Use of Powers Under the Regulation of Investigatory Powers Act (RIPA) 2000. The report detailed how these powers had been utilised by the Council during the period and was accepted by the Committee with comments.

3.2.7 The Committee also received a report from the Head of Legal and Corporate Compliance detailing the corporate complaints received by the Council during the relevant quarters. Consideration was given to the report and it was accepted whilst seeking clarification on some areas and highlighting areas that they would like to consider for future monitoring.

3.2.8 In March 2023 the Committee received a report from the Chief Officer Commercial and Customer detailing a position statement against the objectives set out in the Business Case on the Shared Resource Service (SRS) Wales provision of ICT services for Blaenau Gwent. The report was accepted by the Committee.

External Audit Assurance and External Bodies

3.3.1 In July 2022 the Committee received a report from the Head of Democratic Services titled “Blaenau Gwent County Borough Council – Annual Audit Summary”. This report presented the Audit Wales Annual Audit Summary for the Council and showed the work completed since the last Audit Summary presented in April 2021. This report was accepted by the Committee and its findings noted.

3.3.2 The Committee also received in July 2022 the Audit Wales 2022 Audit Plan for Blaenau Gwent which detailed the work planned relating to the Council by the Auditor General for Wales when discharging his statutory responsibilities for the 2022-2023 period. This report was also accepted and noted by the Committee.

3.3.3 The Annual Letter of the The Public Services Ombudsman for Wales 2021/2022 was received in September 2022 and presented by the Head of Legal and Corporate Compliance. Consideration was given to the report and resolved that it be accepted with the Committee assured that the process for monitoring complaints was robust and that the performance information reflected these practices.

3.3.4 A report was received by the Committee in January 2023 detailing the External Quality Assessment of Blaenau Gwent’s Internal Audit Services. This report was accepted and the Committee agreed that it reflected their understanding of the Internal Audit Service and that the proposed action plan be agreed.

3.3.5 In January and March 2023 the Committee also received a number of reports from Audit Wales as follows:

- Corporate Safeguarding Follow Up
- “A missed opportunity” – Social Enterprises
- Learning from Cyber Attacks
- Assurance and Risk Assessment Review
- Springing Forward – Blaenau Gwent County Borough Council
- “Time for Change” – Poverty in Wales
- “Together we can” Community Resilience and Self-Reliance

These reports were all given consideration by the Committee, accepted and approved.

3.3.6 In March 2023 the Committee received the report from the Corporate Director of Education detailing the Blaenau Gwent Estyn Local Government Education Services (LGES) Inspection Outcome. This report detailed the outcome of the recent inspection of the authority’s Education Service and was accepted by the Committee with a request that further assurances around the process for measuring success be provided to the Committee in future monitoring and reporting.

4. Committee Membership

4.1 The Council is required by Section 81 of the Local Government (Wales) Measure 2011 (as amended by the Local Government and Elections (Wales) Act 2021) to have a Governance and Audit Committee with its roles and terms of reference set out.

4.2 There is no provision in the Local Government (Wales) Measure 2011 to allow the Governance and Audit Committee to form a sub-committee.

4.3 The rules of the membership of the Governance and Audit Committee state that it shall be appointed by Full Council subject to the following rules:

- a) At least two thirds of the members of the Governance and Audit Committee shall be elected members of the Council
- b) At least one third of the members of the Governance and Audit Committee shall be a voting lay member
- c) No more than one of the members of the Governance and Audit Committee shall be a member of the Council's executive
- d) The Senior Member of the Council's executive is not a member of the Governance and Audit Committee

4.4 The Governance and Audit Committee must also appoint a member as its Chair and Vice Chair. The member appointed as the Chair must be a lay person. The member appointed as the Vice Chair must not be a member of the executive or an assistant to the executive.

4.5 The Committee is serviced by Council Officers, principally the Chief Officer Resources, Head of Internal Audit, Senior Auditor, Data Protection and Governance Officer and Democratic Services. Representatives from Audit Wales also attend Committee meetings.

4.6 During 2022/2023 a structured workplan has been followed by the Committee which covered all areas of the relevant responsibilities with the aim of obtaining assurance over the areas included in its terms of reference. The Committee has received reports covering these responsibilities during this time with the exception of the Statement of Accounts for 2021/2022 which has unfortunately been delayed and expected to be progressed shortly.

The Committee includes space for 3 lay members although 1 of these is currently a vacancy.

4.7 Following the resignation of a lay member in late 2022 an unsuccessful recruitment exercise was run in early 2023. This has been repeated more recently and some dates for interview are currently being proposed with the expectation of filling the vacancy.

4.8 The Governance and Audit Committee met on 8 occasions during the period of 2022/2023 on the following dates:

- 14th April 2022
- 11th July 2022
- 27th July 2022
- 21st September 2022
- 20th October 2022
- 16th November 2022
- 30th January 2023
- 9th March 2023

4.9 Committee Membership in 2022/2023 consisted as follows:

- Mrs Joanne Absalom (Lay Member) (Chair)
- Cllr Sonia Behr (Vice Chair)
- Mr Martin Veale (Lay Member)
- Mr Terry Edwards (Lay Member) (resigned from post November 2022)
- Cllr Jules Gardner
- Cllr Wayne Hodgins
- Cllr Chris Smith
- Cllr Tommy Smith
- Cllr Joanna Wilkins

5. Forward Plans

5.1 In order to support the Committee in performing effectively and ensure it fulfils its purpose, CIPFAs view on the role and functions of an Audit Committee as detailed in their Practical Guidance for Local Authorities and Police 2022 edition identifies that a regular self-assessment and the development of a knowledge and skills training program can be used to support the planning of the work programme and training plans. The intention is now to follow recommended practices to help to achieve a good standard of performance in developing an effective Governance and Audit Committee and questionnaires will be distributed to Committee members in due course.

5.2 The Governance and Audit Committee's Annual Report will be produced each year to ensure the programme of work continues to be aligned with the Committee's Terms of Reference and that the contribution made is beneficial in demonstrating the effectiveness of the Committee.

Appendix A – Terms of Reference of the Blaenau Gwent County Borough Council Governance and Audit Committee



The Governance and
Audit Committee 2022

Agenda Item 8

Cabinet and Council only

Date signed off by the Monitoring Officer: N/A

Date signed off by the Section 151 Officer: N/A

Committee: **Governance and Audit Committee**
Date of meeting: **1st December 2023**
Report Subject: **Audit Wales: Well-being Objective Setting Examination – Blaenau Gwent County Borough Council**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Corporate Overview and Performance**
Report Submitted by: **Damien McCann, Interim Chief Executive**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	Oct 2023	11.11.23	22.11.23					

1. Purpose of the Report

1.1 The purpose of the report is to provide the Governance and Audit Committee with the Audit Wales Report, 'Well-being Objective Setting Examination' (Appendix 1).

2. Scope and Background

2.1 Audit Wales published their report, 'Well-being Objective Setting Examination' in September 2023.

2.2 The aim of the Audit Wales examination was to:

- explain how the Council applied the sustainable development principle at key points in the process of setting its well-being objectives;
- provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
- identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.

2.3 The report identified 3 recommendations:

R1 The Council should strengthen its application of the sustainable development principle when it next develops its well-being objectives by drawing on the views of the full diversity of the population to inform the objectives.

R2 The Council should demonstrate more clearly in future corporate plans:

- how it has applied the sustainable development principle in the setting of its well-being objectives; and
- the steps it intends to take to deliver its well-being objectives.

R3 The Council should ensure there is an effective framework for assessing progress against the well-being objectives over the short, medium and long term and that measures reflect the strategic and cross-cutting nature of the objectives.

- 2.4 Blaenau Gwent's response to the identified recommendations can be found in Appendix 2: Audit Wales Management Response.

Options for Recommendation

3.1 **Option 1**

Governance and Audit Committee is assured that the Council's Management Response, identified in Appendix 2, will appropriately respond to the Audit Wales recommendations.

3.2 **Option 2**

Provide comment on the Audit Wales review and Council's Management Response, identified in Appendix 2, to address the recommendations for Officers to implement, to provide continuous improvement.

4. Monitoring Arrangements

- 4.1 The recommendations from Audit Wales will be included within the business plan and updated on a quarterly basis.

The information will be reported within the Joint Finance and Performance Report to Corporate Overview and Performance Scrutiny Committee and Cabinet.

Regular meetings are held with Audit Wales to assess progress of reports.

Background Documents /Electronic Links

Appendix 1 – Audit Wales Report – “Well-being Objective Setting Examination”

Appendix 2 – Blaenau Gwent Management Response

Well-being Objective Setting Examination – Blaenau Gwent County Borough Council

Audit year: 2022-23

Date issued: September 2023

Document reference: 3802A2023

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Background: Our examinations of the setting of well-being objectives

- 1 The Well-being of Future Generations (Wales) Act 2015 (the Act) places a 'well-being duty' on 48 public bodies. The duty requires those bodies to set and publish 'well-being objectives' that are designed to maximise their contribution to achieving each of the Act's seven national well-being goals.¹ They must also take all reasonable steps, in exercising their functions, to meet those objectives.
- 2 The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.² We are carrying out a rolling programme of these examinations, up to early 2025.³
- 3 To do something in accordance with the sustainable development principle means acting 'in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'. To achieve this, a public body must take account of the five ways of working: long term, integration, involvement, collaboration, and prevention.⁴
- 4 We designed an assessment framework to enable us to assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives. **Appendix 1** sets out further information on our approach, including a set of 'positive indicators' that illustrate what good could look like.
- 5 In designing our approach, we considered what we could reasonably expect from public bodies at this point in time. Public bodies should now be familiar with the sustainable development principle and ways of working and be seeking to apply them in a meaningful way. At the same time, we appreciate that public bodies are still developing their experience in applying the sustainable development principle when setting well-being objectives. Therefore, the examinations include consideration of how public bodies are applying their learning and how they can improve in future.

¹ The seven national well-being goals are; a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales.

² Section 15 (1) (a) Well-being of Future Generations (Wales) Act 2015

³ The Auditor General must carry out examinations over the period set out in the Act, which begins one year before a Senedd election and ends one year and one day before the following Senedd election.

⁴ Section 5 Well-being of Future Generations (Wales) Act 2015

Carrying out our examination at Blaenau Gwent County Borough Council

- 6 The aim of this examination was to:
- explain how the Council applied the sustainable development principle at key points in the process of setting its well-being objectives;
 - provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
 - identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.
- 7 We set out to answer the question ‘to what extent has the Council acted in accordance with the sustainable development principle when setting its new well-being objectives’. We did this by exploring the following questions:
- Was the process the Council put in place to set its well-being objectives underpinned by the sustainable development principle?
 - Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?
 - Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?
- 8 We discussed the timing of the examination with the Council and we tailored the delivery to reflect its specific circumstances.
- 9 We gathered our evidence in the following ways:
- reviewing key documents; and
 - running a workshop with officers who were involved with setting the well-being objectives.

How and when the Council set its well-being objectives

- 10 The Council commenced work on setting new well-being objectives during 2022 then published its new objectives in October 2022. **Exhibit 1** sets out those well-being objectives.
- 11 The Council published its well-being objectives as part of its Corporate Plan, which included its well-being statement that is required under the Act. The [Corporate Plan](#) can be viewed on the Council’s website.

Exhibit 1: The Council's well-being objectives 2022-27

Maximise learning and skills for all to create a prosperous, thriving, resilient Blaenau Gwent

Respond to the nature and climate crisis and enable connected communities

An ambitious and innovative council delivering quality services at the right time and in the right place

Empowering and supporting communities to be safe, independent and resilient

What we found

The Council can describe how it considered the sustainable development principle when setting its well-being objectives, but it could more clearly document this and the steps it will take to deliver them, as well as strengthening citizen involvement

Planning

- 12 The Council told us it drew on various data sources to inform its understanding of current and future challenges. These include: Data Cymru; legislative changes; its self-assessment against previous objectives; and intelligence from officers within service areas. It also drew on the Gwent Public Services Board's (PSB) well-being assessment. This contains a comprehensive range of data and intelligence from varying sources.
- 13 The Council did not consult on its draft well-being objectives. Though it did draw on information collected through existing activity to understand what is important to local people. It is not clear whether the Council considered if its engagement intelligence was representative of the population, and covered the breadth of areas necessary, as this isn't documented. But officers recognise the need to do more to involve the full diversity of the population, particularly given changing demographics in the county. It also told us it will continue to use ongoing engagement to inform the actions that support the objectives. We understand this will be reflected in the Council's new participation strategy.

- 14 Officers drew together this intelligence and used it to inform discussions at facilitated workshops with the Corporate Leadership Team and Cabinet. Outputs from the sessions show a series of common priorities which form the basis for the well-being objectives.
- 15 The well-being objectives seek to make long-term improvements that extend beyond the 5-year Corporate Plan. The Council recognises that the actions it takes over the next 5 years will be important in achieving some of its longer-term objectives, even if it's unable to evidence the impact of those actions for several years.
- 16 The new well-being objectives are more cross-cutting in nature than previous Council priorities. The Council intends this integrated approach to encourage shared ownership of the objectives and will require directorates to work together to deliver them. But although the well-being objectives are cross-cutting, business planning takes place on a service / directorate basis. The Council will therefore need to ensure that these arrangements do not hinder the development of cross-cutting actions and measures.
- 17 There is a high-level understanding of how the well-being objectives relate to what other public bodies are seeking to achieve. For example, the Council has developed its objectives so they align with the PSB draft objectives. Once the PSB's well-being plan is agreed, the Council will work with other members of the local delivery group to develop an area plan. This should help align actions that will contribute to delivering the region's collective aims.
- 18 The Council has also considered how its well-being objectives align with the national well-being goals and the 'Marmot Principles'. The latter are a set of guiding principles, adopted by the Gwent PSB and its member bodies, designed to tackle the root causes of health inequalities.

Resourcing and delivery

- 19 The Corporate Plan does not clearly set out the steps, or actions, the Council will take to deliver the well-being objectives. Steps help clarify what a body plans to do to deliver each objective. When accompanied by clear measures, they can also help citizens understand what difference the well-being objectives will make to them. Whilst actions relating to well-being objectives feature in service and directorate business plans, these plans are not published. So, it is not currently clear to the public what actions the Council plans to take against each objective, over what timescale and what progress it anticipates making. The Council should therefore consider how it can make some of the detail that sits below the well-being objectives more transparent.
- 20 The Council recognises the need to work with others to deliver its well-being objectives. We are aware of existing collaborative arrangements and ongoing consideration of further opportunities for joint working. The Corporate Plan lists the partners the Council will work with but doesn't include any detail on how this will work in practice or the actions / projects the partnership working relates to.

- 21 The Council has set out its intention to ensure that its Medium Term Financial Strategy (MTFS) and Corporate Plan are aligned. It told us it will continue to review and update the MTFS regularly to reflect the costs of the actions it will take to deliver the wellbeing objectives. The 2023-24 budget provides examples of the Council prioritising spending on the Plan's priorities, such as education. It also demonstrates investment in preventative services which aim to reduce cost and demand for statutory services over the medium to long-term. But the Council also recognises the challenges of funding the Plan and balancing short and longer-term needs when allocating resources, particularly in the context of the current economic climate. It told us that some actions may take longer to deliver as result. This underlines the importance of aligning the Corporate Plan and well-being objectives with the MTFS, annual budget and business planning arrangements.

Monitoring and review

- 22 Although the Corporate Plan lists the measures the Council will use to assess progress against the well-being objectives, it contains no baseline data, targets or timescales. As a result, it's not clear from the Plan what progress the Council aims to achieve over the next 5 years.
- 23 The Council's business planning arrangements provide the main mechanism for delivering and measuring progress against the Corporate Plan. Each directorate and service should have a business plan that sets out actions and performance targets linked to the priorities and well-being objectives set out in the Corporate Plan. Business plans should be updated quarterly to inform regular monitoring and reporting. They also feed into the Council's annual self-assessment process.
- 24 But we found inconsistencies in the quality of business plans and will undertake a review later this year to assess the effectiveness of the council's business planning and performance management arrangements. The review will seek to establish the extent to which these arrangements will help the Council to deliver its well-being objectives in accordance with the sustainable development principle.

Recommendations

R1 The Council should strengthen its application of the sustainable development principle when it next develops its well-being objectives by drawing on the views of the full diversity of the population to inform the objectives.

R2 The Council should demonstrate more clearly in future corporate plans:

- how it has applied the sustainable development principle in the setting of its well-being objectives; and
- the steps it intends to take to deliver its well-being objectives.

R3 The Council should ensure there is an effective framework for assessing progress against the well-being objectives over the short, medium and long term and that measures reflect the strategic and cross-cutting nature of the objectives.

Appendix 1

Key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this examination, along with some sub-questions to guide our evidence gathering. It also includes some 'positive indicators' that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not a checklist, but rather an illustrative set of characteristics that describe what good could look like.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
Planning: Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?	
	Positive indicators

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

<p>Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?</p>	<ul style="list-style-type: none"> • The body has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is'/ short-term need. • The body has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as: <ul style="list-style-type: none"> – Public Services Boards' well-being assessments – Regional Partnership Boards' population assessments – The results of local involvement/ consultation exercises – Service monitoring and complaints – Future Trends report – Natural Resources Wales' State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments • The body has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.
<p>Has the body involved others in developing its well-being objectives?</p>	<ul style="list-style-type: none"> • The body uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population. • Involvement reflects good practice and advice from the Future Generations Commissioner.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

<p>Has the body considered how the objectives can improve well-being and have a broad impact?</p>	<ul style="list-style-type: none"> • The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals. • The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work. • There is a well-developed understanding of how the well-being objectives impact on/ relate to what other public bodies are trying to achieve and opportunities to work together.
<p>Has the body designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs?</p>	<ul style="list-style-type: none"> • The body has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation. • The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.
<p>Resourcing and delivery: Has the body considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?</p>	
<p>Has the body considered how it can resource the well-being objectives?</p>	<ul style="list-style-type: none"> • Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the body has also considered longer-term resources, risks and/or how it can resource longer-term objectives.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
	<ul style="list-style-type: none"> The body has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.
Has the body considered how it can work with others to deliver their objectives?	<ul style="list-style-type: none"> The body is drawing on its knowledge of partners objectives/ activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.
Monitor and review: Has the body put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?	
Has the body developed appropriate measures and monitoring arrangements?	<ul style="list-style-type: none"> Performance measures are designed to reflect the sustainable development principle, e.g., by focusing on outcomes that cut across departmental/ organisational boundaries and deliver multiple (including preventative) benefits over the longer term. There is a 'golden thread' that will allow the body to clearly and transparently report on progress to meeting the objectives.
Is the body seeking to learn from and improve how it has applied the sustainable	<ul style="list-style-type: none"> The body shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?

development principle to setting its well-being objectives?

- The body has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives.
- The body has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response

Report title: Well-Being Objective Setting Examination – Blaenau Gwent County Borough Council

Completion date:



Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Council should strengthen its application of the sustainable development principle when it next develops its well-being objectives by drawing on the views of the full diversity of the population to inform the objectives.	This will be incorporated into the new Participation and Engagement Strategy to be approved in 2024.	By March 2024	Service Manager Policy, Partnership and Engagement / Wider CLT
R2	The Council should demonstrate more clearly in future corporate plans: <ul style="list-style-type: none"> how it has applied the sustainable development principle in the setting of its well-being objectives; and the steps it intends to take to deliver its well-being objectives. 	The Council will be undertaking a review of the Corporate Plan and submitting to Council in late 2023. The reviewed Plan will include narrative on how the sustainable development principle informed the Well-being Objectives and also the steps we will take to deliver the Objectives as part of the Business Planning process.	By March 2024	Service Manager Performance and Democratic / CLT
R3	The Council should ensure there is an effective framework for assessing progress against the well-being objectives over the short, medium and long term and that measures reflect the strategic and cross-cutting nature of the objectives.	The Well-being Objectives have been included in the Business Plans and reflect their cross cutting nature. Work to be undertaken to identify the timeframe of progress in the short, medium and long term.	By March 2024	Service Manager Performance and Democratic / Wider CLT

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Agenda Item 9

Executive Committee and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **1st December 2023**
Report Subject: **Annual Update Report – Use of Powers under the Regulation of Investigatory Powers Act (RIPA) 2000**
Portfolio Holder: **Cllr Steve Thomas, Leader / Cabinet Member Corporate Overview and Performance**
Report Submitted by: **Andrea Jones, Head of Legal and Corporate Compliance**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance and Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	November '23	11.11.23	22.11.23					

1. Purpose of the Report

- 1.1 The purpose of the report is to provide the Governance and Audit Committee with information relating to the Council's use of statutory powers under the Regulation of Investigatory Powers Act (RIPA) 2000 for the period 2022/2023, as required under the Council's RIPA policy and procedures.

2. Scope and Background

- 2.1 The Council can only undertake covert surveillance if the proposed operation is authorised internally by one of the named authorising officers and in addition any proposed surveillance must also be approved by a Magistrates' Court. A Council can only use directed surveillance if it is necessary to prevent or detect criminal offences which attract a custodial sentence of six months or more, or criminal offences relating to the underage sale of alcohol or tobacco. The use of the Council's powers under RIPA has reduced significantly over recent years and this is a trend noted across the UK. Use of the powers has to be demonstrated to be proportionate to what is sought to be achieved. For most areas of Council activity, it would not be proportionate to utilise the powers.
- 2.2 The Governance and Audit Committee monitors activity in this area, and this report contains information which seeks to provide assurance on the effective operation of the Council's policy in relation to the Act. The information provided covers the period 1st August 2022 – 31st July 2023.

3. Options for Recommendation

3.1 Option 1

That the Governance and Audit Committee considers and accepts the information in the report which is given as assurance that appropriate oversight and monitoring is taking place.

Option 2

That the Governance and Audit Committee considers the information contained in the report and provides specific comment.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

This topic relates to statutory regulation and compliance and also links to the Council's objective of Efficient Council within the Corporate Plan.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

There is a budget implication in terms of the cost of providing ongoing training for staff across the Council.

5.2 ***Risk including Mitigating Actions***

Misuse/abuse of the powers is potentially a criminal offence. The Council's Monitoring Officer maintains a centralised record of all the Council's authorisations/applications and proactively monitors the activity to ensure compliance with the Act and the Council's policy. The Council's policy and operational procedure is reviewed regularly, and training is undertaken for all relevant officers who engage the legislation.

In addition, all officers have been made aware of the risks in connection with frequent viewing of social media sites for the purpose of gathering information on persons of interest. Such activity may inadvertently fall within the legislation and require formal authorisation.

5.3 ***Legal***

The Regulation of Investigatory Powers Act 2000 regulates the use of a range of investigative powers by a variety of public authorities. It provides a statutory framework for the authorisation and conduct of certain types of surveillance. The aim is to provide a balance between preserving an individual's right to privacy and enabling enforcement agencies to gather evidence for effective enforcement action within their communities in order to improve the quality of life for its residents.

Local authorities can only use the powers for the prevention and detection of crime and their use is subject to independent oversight by Judicial Commissioners – the Investigatory Powers Commissioner's Office (IPCO) who oversee the use of investigation powers by intelligence agencies, police forces and public authorities. The IPCO undertake an audit of all councils every three years. The last audit of Blaenau Gwent Council took place in July/August 2023. The outcome was that the Inspector was satisfied that the Council is demonstrating assurance of ongoing compliance with RIPA and the Council will not require further inspection this year. The next inspection is due in 2026.

5.4 ***Human Resources***

No direct implications.

6. **Supporting Evidence**

6.1 ***Performance Information and Data***

- Access to Communications Data: in relation to this category of surveillance, no applications were made.
- Authorisation of directed surveillance: Five applications were made and granted. However, one of these applications did not proceed.

- Covert Human Intelligence Sources: No applications were made.

RIPA training was last delivered to 59 staff across directorates in May/June 2022 and is intended to be refreshed on a two-yearly basis in 2024.

The RIPA Policy and Procedure have undergone a minor review in July 2023 to reflect changes in the organisation (e.g. staff contacts updated) and a full review is planned for early 2024.

6.2 *Expected outcome for the public*

To provide assurance to the public of the appropriate and proportionate use of statutory powers.

6.3 *Involvement (consultation, engagement, participation)*

This is not an area in which public consultation or engagement is appropriate. Internal engagement on the operation of the Regulations and Policies is an ongoing process.

6.4 *Thinking for the Long term (forward planning)*

The use of the powers is connected with improving the quality of life for residents and keeping safe from harm.

6.5 *Preventative focus*

See above.

6.6 *Collaboration / partnership working*

All relevant public bodies must adhere to the same statutory regime.

6.7 *Integration (across service areas)*

All service areas are subject to the law & the policy, and the Monitoring Officer ensures oversight and consistency of approach and application.

6.8 *Decarbonisation and Reducing Carbon Emissions*

Not relevant to this topic.

6.9 *Integrated Impact Assessment*

No applicable.

7. *Monitoring Arrangements*

- 7.1** The Council's RIPA Monitoring Officer together with the Governance and Audit Committee is responsible for oversight of the regime and must monitor the use of these powers.

Background Documents /Electronic Links

The Council's Policy and Operational Procedure, available on the Council's Intranet.

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Agenda Item 10

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

The Committee: **Governance & Audit Committee**
Date of meeting: **1st December 2023**
Report Subject: **Internal Audit Progress 2023/24**
Portfolio Holder: **Cllr Steve Thomas – Leader / Cabinet Member for Corporate Overview and Performance**
Report Submitted by: **Andrea Owen Professional Lead - Internal Audit**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance & Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
virtual	09/11/2023	11.11.23	22/11/2023					

1. Purpose of the Report

- 1.1 The purpose of this report is to update the Governance & Audit Committee on the progress against the Internal Audit Plan for the period 1st July 2023 to 30th September 2023.

2. Scope and Background

- 2.1 The report highlights the work undertaken by the Internal Audit Service and complies with the Public Sector Internal Audit Standards (PSIAS).
- 2.2 The Internal Audit Plan has been compiled based upon Risk Assessments whereby each potential audit area is scored using a risk matrix. The scoring matrix uses a set of criteria relating to the audit risks, the Authority's objectives and the views of Senior Managers.
- 2.3 The audit work allocated to staff for the period July to September 2023 is based on the outcomes of the Risk Assessment exercise. This approach allows flexibility in the audit plan and can accommodate an individual auditor's experience and skill set when allocating audits.

3. Recommendation

- 3.1 The Governance & Audit Committee consider the report and findings within the attached Appendices, notes the progress on activities for the period 1st July to 30th September 2023, providing appropriate challenge where relevant.

4. Evidence of how this topic support the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1 In line with the Corporate Plan Priority of an ambitious and innovative council delivering quality services at the right time and in the right place, presentation of the Internal Audit progress report demonstrates the breadth

and depth of the audit coverage of the Council's systems and internal controls. In doing this it also enables the Chief Officer – Resources to satisfy her statutory duties under Section 151 of the Local Government Act (1972) in providing an effective Internal Audit Service.

- 4.2 The Governance & Audit Committee, in their role as those charged with governance, and in compliance with the PSIAS, have a responsibility to oversee the performance of the Internal Audit function including receiving a summary of the work upon which the Audit and Risk Manager will base her annual audit opinion.

5. **Implications Against Each Option**

5.1 Impact on Budget

There are no direct financial implications resulting from this report.

5.2 Risk including Mitigating Actions

The report demonstrates the breadth and depth of audit coverage to provide assurance that key areas of concern and areas deemed to have the highest risk priority are being examined during the financial year. Failure to cover sufficient audit areas exposes the Authority to the risk that weaknesses within specific systems in the Authority's internal control environment are not being identified, resulting in increased financial or reputational damage. This is mitigated by regular review of progress and reprioritisation as appropriate.

5.3 Legal

Provision of an adequate audit service, demonstrated in part through the production of a suitable audit plan, contributes to the Section 151 officer being able to fulfil her statutory duties under the Local Government Act (1972).

5.4 Human Resources

The section currently has a complement of six full time posts. This includes two posts that have been subject to appointments within the last 18 months.

- 5.4.1 The section's sickness for the period 1st April to 30th September 2023 is an average of 2.17 days per person against an annual directorate target of 7 days per person.

5.5 Health and Safety

There are no direct health and safety implications arising from this report.

6. **Supporting Evidence**

6.1 Performance Information and Data

Activities during the period 1st July to 30th September 2023 are set out in Appendix A attached. The format shows a summary of findings from audit reports produced in the period, including a formal audit opinion where

appropriate. Where individual audits are graded as Limited Assurance, or No Assurance an Internal Audit report will be provided as appendices for Members' consideration. The Follow –Up audit completed during the period where weaknesses have not been implemented is presented at Appendix B.

6.1.1 Performance data for the Section for the period to 30th September 2023 is presented at Appendix C. The grading's issued during the period and percentage coverage for each department is shown at Appendix D and E.

6.1.2 All local performance indicators are being achieved. The Internal Audit plan completed is 36.53% against a target of 36.50%.

6.2 Expected outcome for the public

An effective Internal Audit Service and Governance & Audit Committee will assist with the stewardship of public money providing assurance to the communities of Blaenau Gwent on the robustness of the Authority's internal controls.

6.3 Involvement (consultation, engagement, participation)

Prior engagement has been undertaken with Heads of Services when determining the risk assessments for the audit plan.

6.4 Thinking for the Long term (forward planning)

The work of Internal Audit is intended to provide advice and guidance on system improvements resulting in an improved control environment for the future of the Authority.

6.5 Preventative focus

Internal Audit provides a cost effective and professional Audit review of the Authority's internal control environment with the aim of minimising the risk of loss from error, fraud, or irregularities.

6.6 Collaboration / partnership working

There are no collaboration / partnership working arrangements arising from this report.

6.7 Integration (across service areas)

The audit plan is developed with a view to providing assurance on the whole of the Authority's control environment. Audit assignments are conducted for a range of activities across all directorates in order for the Audit and Risk Manager to provide an annual audit opinion that an adequate internal audit service has been provided.

6.8 Decarbonisation and Reducing Carbon Emissions.

No impact for this report.

Integrated Impact Assessment

6.9 Not applicable.

7. **Monitoring Arrangements**

- 7.1 Internal Audit reports are presented to the Governance & Audit Committee as part of the progress report. Where audit assignments have been graded as Limited Assurance or No Assurance, the Internal Audit Report will be provided as appendices for Members' consideration.
- 7.2 Performance data for the Section is periodically presented to members as part of the ongoing progress reports.
- 7.3 The levels of audit coverage and the grading's of individual audits will inform the annual opinion of the Audit and Risk Manager and supports the Governance & Audit Committee in fulfilling its assurance role to the citizens of Blaenau Gwent.

Background Documents /Electronic Links

- Appendix A - Audit activities for the period July to September 2023.
- Appendix B - Follow- Up Audit where weaknesses have not been implemented or unable to test during the review.
- Appendix C - Performance Indicators 2023/24.
- Appendix D - Grading's issued for the period April to September 2023.
- Appendix E - Percentage coverage for each department.

Directorate	Service Area	Audit Area	Audit Scope	Grading	Progress / Comments
Commercial	Workforce Management	Absence Management	To determine the effectiveness of the internal controls operating in respect of Absence Management.	Not yet determined	A review comenced in August 2023. Audit testing ongoing.
	Procurement	Contract Safeguarding	To determine the effectiveness of the internal controls operating for contracts in respect of Safeguarding.	Not yet determined	A review comenced in September 2023. Audit testing ongoing.
		Contracts - Under 75K	To determine the effectiveness of the internal controls and ensure compliance with Contract Procedure Rules for contracts under 75K.	Not yet determined	A review comenced in September 2023. Audit testing ongoing.
		Contracts - Agency	To determine the effectiveness of the internal controls operating for contracts in respect of Agency staff	Not yet determined	A review comenced in August 2023. Audit testing ongoing.
Education	Education Transformation	Control Risk Self Assessment	Internal Audit review of the Control Risk Self Assessment (CRSA) programme issued to all schools.	Not yet determined	A review commenced in April 2023. Audit testing is ongoing.
		Youth Support Grant (Annual Audit)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and report issued in July 2023. No weaknesses identified.
	Inclusion Services	Out of county placements education	To determine the effectiveness of the internal controls operating in respect of Out of County Education Placements.	Not yet determined	A review comenced in June 2023. Audit testing ongoing.
Resources	Financial Services	Creditors - Central Control Risk Self Assessment (CRSA)	To determine the effectiveness of the internal controls operating in with regards to the Creditors System. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not yet determined	Draft report issued in September 2023. A meeting has been arranged to agree an action plan.
		Pupil Development Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Reasonable Assurance	Audit certificate and report issued in September 2023. 1 weakness was identified classified as Medium Risk.
		Regional Consortia School Improvement Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Reasonable Assurance	Audit certificate and report issued in September 2023. 2 weaknesses were identified both classified as Medium Risk.
		Silent Valley Leasing	A review to determine the correct leasing arrangemnts have been novated to Blaenau Gwent Council	Not yet determined	Draft report issued in September 2023. A meeting has been arranged to agree an action plan.
	Revenue Services	Petty Cash(C/fwd 2022-23)	To determine the effectiveness of the internal controls operating in respect of Petty Cash Accounts.	Not yet determined	Draft report issued June 2023. A meeting is still to be arranged to agree an action plan.
		Social Services Debtors Control Risk Self Assessment (CRSA)	To determine the effectiveness of the internal controls operating in respect of Social Services Debtors.	Not yet determined	A review comenced in May 2023. Audit testing ongoing.
Social Services	Adult Services - Development & Commissioning	Supporting People Grant (RDC Post)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and report issued in August 2023. No weaknesses identified.
		Supporting People Grant New Combined	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and report issued in August 2023. No weaknesses identified.
		Domiciliary Care	To determine the effectiveness of the internal controls operating in respect of Internal Domiciliary Care.	Not yet determined	Draft report issued in July 2023. A meeting has been arranged to agree an action plan.
		Community Meals Service	To determine the effectiveness of the internal controls operating in respect of Community Meals.	Not yet determined	A review comenced in August 2023. Audit testing ongoing.
	Community Care East & West Follow up	Follow up review to determine the action taken on the weaknesses made as a result of the audit.	Not Applicable	A review commenced in August 2023 to ensure the 13 weaknesses agreed as a result of the audit had been implemented. 4 weaknesses had been fully implemented, 1 had been partly implemented, 3 were unable to test and 5 had not been implemented during the review. The weaknesses not implemented and unable to test can be seen at appendix B	
Regeneration and Community Services	Community Services - Public Protection	Homelessness - No One Left Out Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and report issued in September 2023. No weaknesses identified.
	Community Services - Public Protection	Enable Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Reasonable Assurance	Audit certificate and report issued in September 2023. 1 weakness was identified classified as High Risk.
	Property	Asbestos Management	To determine the effectiveness of the internal controls operating in respect of Asbestos Management.	Not yet determined	A review comenced in July 2023. Audit testing ongoing.
	Regeneration - Thriving Communities	Shared Prosperity Fund	To determine the effectiveness of the internal controls operating in respect of the Service Level Agreement for the Shared Prosperity Fund.	Not yet determined	A review comenced in June 2023. Audit testing ongoing.
Governance and Partnerships	Partnership and Policy	Community Safety	To determine the effectiveness of the internal controls opertating in respect of Community Safety, with particular emphasis on Domestic Homicide review (DHR)	Not yet determined	A review comenced in July 2023. Audit testing ongoing.

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FOLLOW - UP AUDIT - PROGRESS REPORT FOR THE PERIOD JULY TO SEPTEMBER 2023.

Appendix B

The table below provides details of the results of follow-up audit where original audit weaknesses have not been implemented or were unable to test during the review:

AREA	SUMMARY OF WEAKNESS	AGREED ACTION	FOLLOW UP FINDINGS
Community Care East/West Follow Up	The Care Management policy or guidance notes were out of date at the time of the audit.	The Care Management guidance notes are being reviewed and updated as necessary in accordance with the new procedures and documentation that are being designed. These will be subject to formal DMT approval.	The Care Management policy and guidance notes are still currently in the process of development. <u>Audit Satisfied</u> - No
Community Care East/West Follow Up	There were instances identified where the Tier 1 Quality Assurance (QA) Self-Assessment form had not been completed and attached to the WCCIS system.	The process is being redesigned with the QA process being integrated within the ordinary procedures that must be completed by the practitioner within each case.	From a sample of ten service user examined during the Follow Up Audit , Tier 1 Quality Assurance (QA) forms had not been attached to WCCIS system in three instances. <u>Audit Satisfied</u> - No

Community Care East/West Follow Up	There were instances identified where a Consent to Share Information document had not been attached to WCCIS system.	The Consent to Share process is being redesigned where the information is captured and verified once. Consent to Share will form part of the Care Management and QA process that is integrated.	From the sample examined there was two instances the where Consent to Share document could not be verified. <u>Audit Satisfied</u> - No
Community Care East/West Follow Up	There was one instance identified where a review process had been completed but had not been recorded on the appropriate review document and attached to WCCIS system.	The new Care Management and QA process will enforce the completion of each stage before allowing the ability to move onto the next stage/document.	It was noted that in some instances reviews are being actioned and case notes are attached to WCCIS. However, it was noted that review forms were not always conducted annually and there was instances where a review could not be verified. <u>Audit satisfied</u> - No
Community Care East/West Follow Up	The Corporate Performance Team do not have access to the Tier 2 QA information.	A new policy and Quality Assurance process is being designed and will negate the requirement for this access.	The new Care Management and QA process is still in development therefore it was not possible to test this weakness during the Follow Up Audit. <u>Audit Satisfied</u> - Unable to test

Community Care East/West Follow Up	It could not be confirmed that the outcomes of the Tier 3 QA process had been fed back to the relevant practitioner.	The integrated QA process that is being designed will ensure accountability for the practitioners involved and will provide feedback to address any issues.	It was noted that no Tier 3 toolkits were attached to WCCIS. As the new Care Management and QA process is still in development it was not possible to confirm the process regarding Tier 3 toolkits. <u>Audit Satisfied</u> - Unable to test
Community Care East/West Follow Up	There were instances identified where the Tier 3 QA audit had not been completed within the Policy's one-month timescale.	A new Care Management and Quality Assurance process is being designed and will include achievable timescales for completion of activities.	It was noted during the Follow Up Audit that Tier 3 QA audits have yet to be undertaken by the service. <u>Audit Satisfied</u> -No
Community Care East/West Follow Up	Where a review identifies that a reassessment is required, it was apparent that there was a duplication of time and information in the completion of an Integrated Assessment and the review document.	The new Care Management and QA process will include redesigned forms which will focus on the fundamental principles that the Practitioner must consider and reduce instances of duplication.	As the Care Management and QA process is still in development it was not possible to test this weakness during the Follow- Up audit. <u>Audit Satisfied</u> - Unable to test

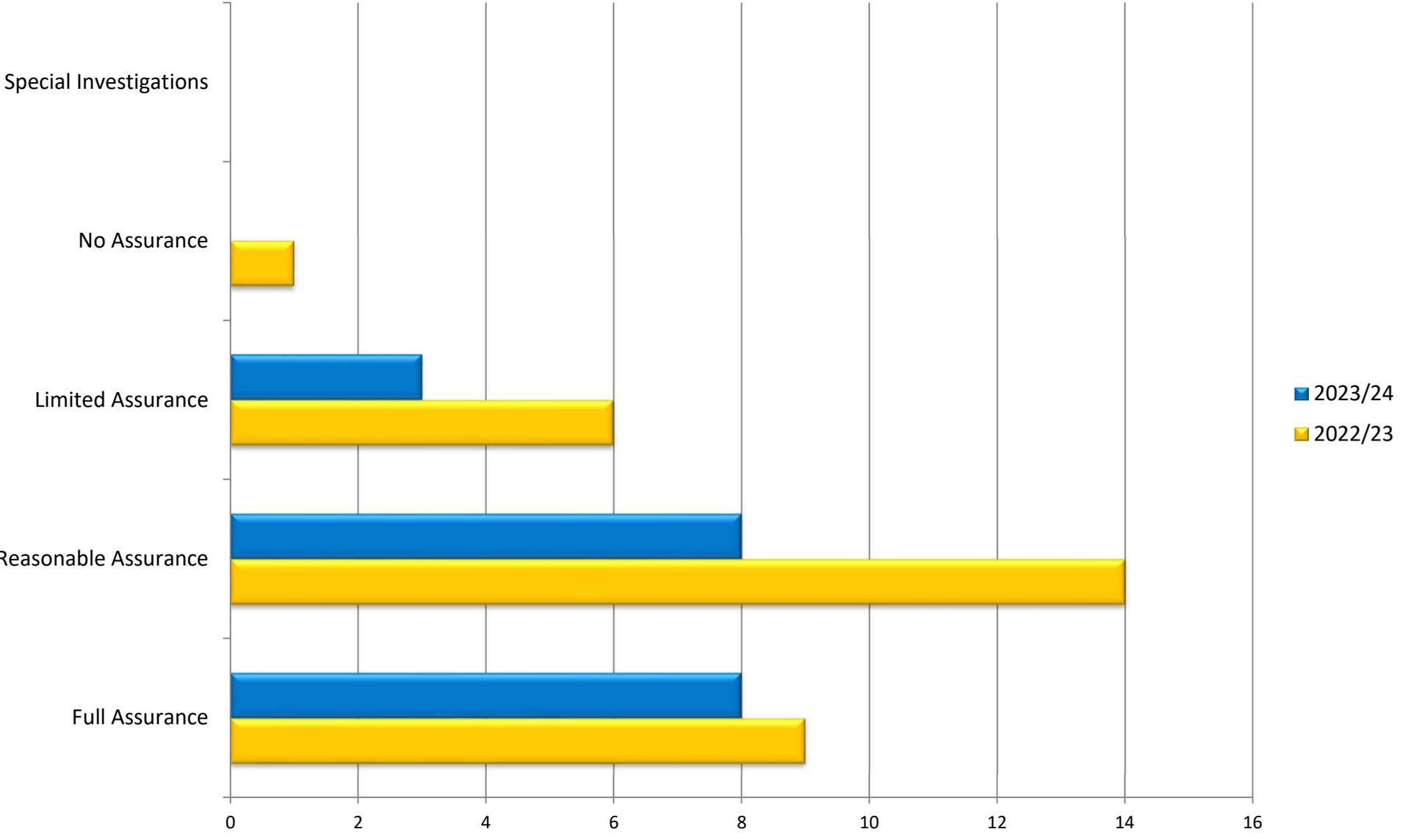
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INTERNAL AUDIT SECTIONPERFORMANCE INDICATORS 2023/24

	Performance Indicator	2021/22 Target	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2023/24 Actual	RAG Rating
Local PI	Audit Plan Completion %	70%	70.74%	73%	69.45%	73% 36.50%	36.53%	Green
Local PI	% of Agreed Actions for Weaknesses Identified	90%	100%	90%	100%	90%	100%	Green
Local PI	% of Agreed Actions completed after 6 months	80%	90%	80%	100%	80%	100%	Green
Local PI	% of Audit Clients at least "satisfied" with the service	95%	100%	95%	100%	95%	100%	Green
Local PI	Average number of days taken to issue Final Reports	5 days	5.17 days	5 days	4.38 days	5 days	4.56 days	Green
Local PI	% of Audits completed within time allocated	75%	90%	75%	90%	75%	79%	Green
Local PI	% of Performance Reviews undertaken within previous 12 months	100%	100%	100%	100%	100%	100%	Green
Local PI	Average number of sick days per person (cumulative average)	8 days	0.83 days	7 days	0 days	7 days	2.17 days	Green

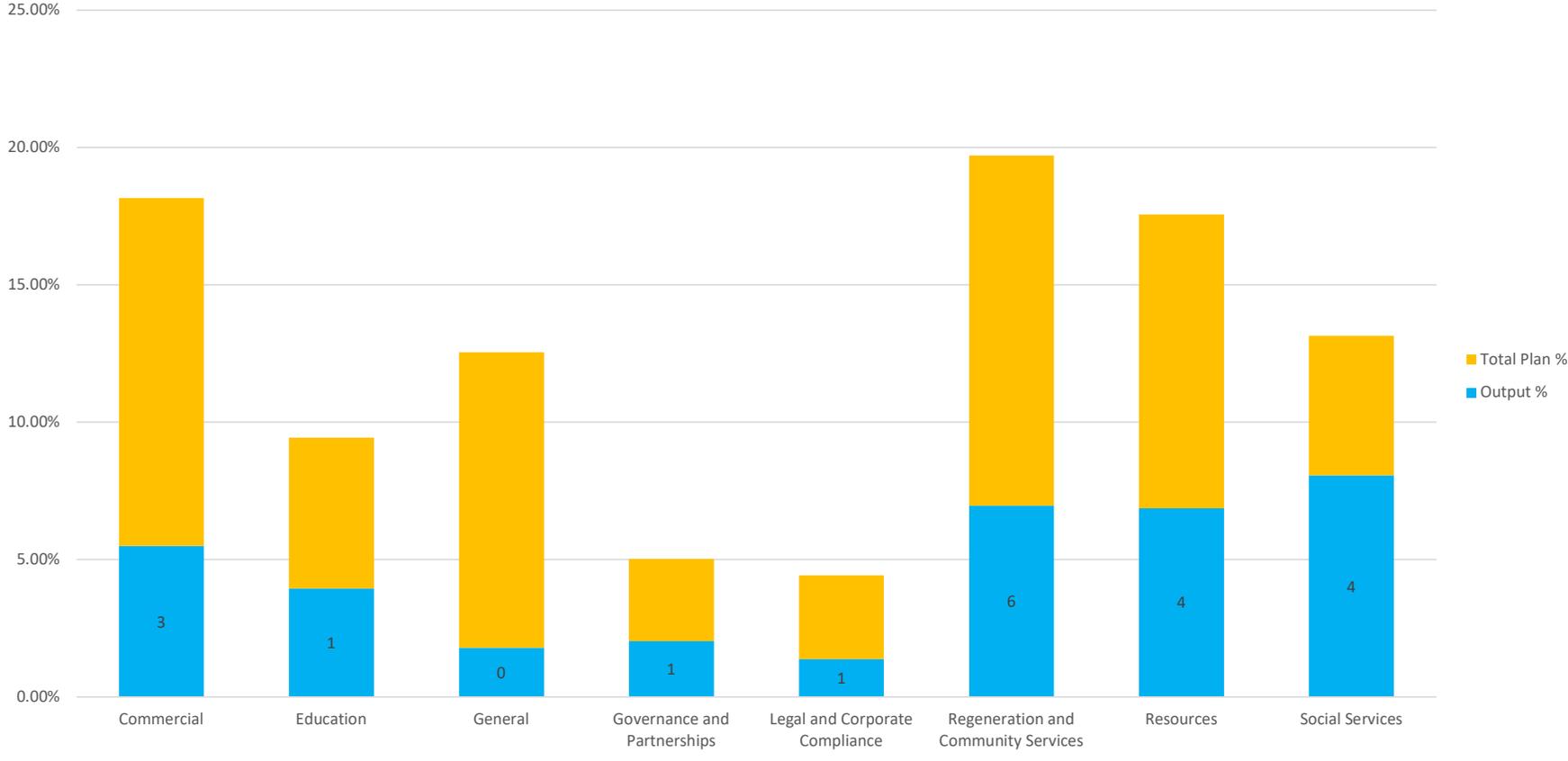
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Audit Gradings 2022/23 & 2023/24



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Audit Coverage by Department 2023/24



Department	Total Department %	Output %	Completed Audit Areas
Commercial	18.16%	5.50%	3
Education	9.44%	3.94%	1
General	12.54%	1.79%	0
Governance and Partnerships	5.02%	2.03%	1
Legal and Corporate Compliance	4.42%	1.37%	1
Regeneration and Community Services	19.71%	6.96%	6
Resources	17.56%	6.87%	4
Social Services	13.14%	8.06%	4
Total	100.00%	36.53%	20

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Agenda Item 11

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance and Audit Committee**
Date of meeting: **1st December 2023**
Report Subject: **Corporate Risk Register Q2 2023 / 2024**
Portfolio Holder: **Cllr S Thomas – Leader of the Council and Cabinet Member Corporate Overview and Performance**
Report Submitted by: **Rhian Hayden – Chief Officer Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	27.10.23	11.11.23	22.11.23					

1. Purpose of the Report

- 1.1 To invite the Governance and Audit Committee to undertake their assurance role by noting the progress made in the management and monitoring of the Council's most significant risks at the end of Quarter 2.

2. Scope and Background

- 2.1 Risk management is the systematic process of understanding, evaluating and addressing risks to maximise the chances of objectives being achieved and ensuring organisations, individuals and communities are sustainable. It is a key component of the Council's overall governance arrangements.
- 2.2 Essentially, effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and a rigorous approach to monitoring and controlling them.
- 2.3 The Council's Risk Management Strategy and Risk Management Handbook details the Council's approach to risk management and its appetite for managing risk.
- 2.4 The Corporate Risk Register (CRR) allows the Council to focus on managing and mitigating the most significant corporate risks that could impact on the council and / or community.
- 2.5 The Corporate Risk Register is updated by risk updaters and risk owners and reviewed by Corporate Leadership Team on a quarterly basis. The last review at CLT took place on 27th October 2023 and considered the progress as at the end of Quarter 2 (July – September 2023).
- 2.6 The Governance and Audit Committee's Terms of Reference sets out their responsibility:
- Provide independent assurance of the adequacy of the risk management framework and the associated control environment.
 - Consider the effectiveness of the Council's risk management arrangements and the control environment.

- 2.7 The CRR is now presented at Appendix A. This will provide members of the committee with an overview of the current strategic risks facing the Council and is intended to provide assurance that the Council is adequately managing its significant risks. Appendix B contains corporate risk register definitions and guidance for information.
- 2.8 At the end of Quarter 2 there were 12 risks reported on the Corporate Risk Register. 6 of these risks are scored as Critical after controls have been applied and 6 as High. There were no risks escalated to the Corporate Risk Register in Quarter 2 however there was one risk which was noted to CLT from the Education Directorate Risk Register for awareness which was the risk in respect of concerns that a greater number of schools may be placed in an Estyn category as a result of the impact of the continued Action Short of Strike (ASOS). This risk is currently being monitored via the Education Directorate Risk Register.

A summary of the Corporate Risk Register as at Quarter 2 is presented below.

Risk Reference	Risk Description	Residual Risk Score at the end of Q2
CRR1	Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.	Critical
CRR2	Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change.	High
CRR4	Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent	High
CRR5	There is a risk that the Council's Business Continuity processes are not robust enough to enable the provision of critical services in an emergency.	High
CRR14	Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially.	Critical
CRR19	If the Council does not manage its information assets in accordance with requirements set down within legislation, then it may be faced with financial penalties	High

	and possible sanctions that hinder service delivery.	
CRR21	The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability.	Critical
CRR22	Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves.	Critical
CRR25	The 2 schools in an Estyn category and currently in receipt of Council Intervention fail to make appropriate progress against the Statutory Warning Notice to Improve and their Post Inspection Action Plans.	High
CRR28	Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively.	High
CRR30 (a)	Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities and staff have created significant challenges for those already in need.	Critical
CRR30 (b)	Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent	Critical

3. Recommendation

- 3.1 The Governance and Audit Committee is asked to consider the contents of this report to provide assurance that procedures are in place to monitor the management of significant risks.

4. Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1 Effective Risk Management allows the Authority to deliver services in pursuance of its obligations.

5. Implications Against Each Option

5.1 *Impact on Budget (short and long term impact)*

- 5.1.1 There are no direct financial implications although it is widely recognised that effective risk management is an essential ingredient in achieving service improvement, efficiency and value for money.

5.2 ***Risk including Mitigating Actions***

5.2.1 Failure to ensure robust risk management arrangements are in place will result in the weakening of internal controls.

5.2.2 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved, financial loss and reputational damage.

5.3 ***Legal***

5.3.1 There are no direct legal implications arising from this report.

5.4 ***Human Resources***

There are no direct staffing implications arising from this report roles but individual roles and responsibilities are identified in the Risk Management Strategy.

5.5 ***Health and Safety***

There are no direct health and safety implications arising from this report.

6. ***Supporting Evidence***

6.1 ***Performance Information and Data***

Actions identified to manage risks should be included in the relevant business plans and this will be expedited by the Professional Lead for Risk and Insurance and the Corporate Performance Officer.

6.2 ***Expected outcome for the public***

6.2.1 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved and financial loss which will inevitably affect how the Council provides services to the communities of Blaenau Gwent

6.3 ***Involvement (consultation, engagement, participation)***

6.3.1 Not applicable for this report

6.4 ***Thinking for the Long term (forward planning)***

6.4.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities

6.5 ***Preventative focus***

6.5.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities

6.6 ***Collaboration / partnership working***

6.6.1 Not applicable for this report

6.7 ***Integration (across service areas)***

6.7.1 Not applicable for this report

6.8 ***Decarbonisation and Reducing Carbon Emissions***

6.8.1 Not applicable for this report

6.9 ***Integrated Impact Assessment*** (

6.9.1 Not applicable for this report

7. **Monitoring Arrangements**

7.1 The Corporate Risk Register is reviewed and updated by CLT on a quarterly basis but more frequently if required and is part of the Joint Report which is reported to Scrutiny.

7.2 The Corporate Risk Register will be presented to Governance and Audit Committee on a quarterly basis.

Background Documents /Electronic Links

- *Appendix A*
- *Appendix B*

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Risk Reference CRR1
Risk Description: Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council.
Risk Owner: Corporate Leadership Team / Interim Chief Executive
Risk Updater: Chief Officer Resources / Chief Officer Customer and Commercial
Portfolio holder: Councillor Steve Thomas

Direction of travel
 Increasing risk 

Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L x I = Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> • Council priorities are unclear and unrealistic / Budgets not aligned with corporate priorities • Failure to put the customer at the centre of changes • Risk that the preventative agenda does not deliver • Risk that savings identified as part of business as usual and efficiencies have not been robustly reviewed for achievability and will not deliver as planned • Governance arrangements for achievement of priorities and delivery of significant projects are not robust. • Lack of ownership and accountability of the need for change • Council unable to overcome the challenges to become more commercially minded i.e. Inability to make the cultural shift • The ICT platforms (desktop, software, network, servers etc.) will not be able to support the technologies required by the corporate change programme and deliver effective service to the council. • Transformation and commercial projects require significant capital investment • Failure to obtain political support for proposed changes. • Failure to develop the skills and capacity required to manage significant change at a time of increased demand. • Failure to maximise existing assets / Lack of understanding of how changes to service delivery will impact on long-term asset needs. / Failure to develop a long-term asset strategy. 	<ul style="list-style-type: none"> • Failure to meet the requirements of the Wellbeing of Future Generations Act. • Vital services will not be protected if the Council fails to find more efficient ways of working • Reputational impact if services do not meet increasing customer expectations and Council is unable to deliver on its aspirations • Services not delivered efficiently or effectively and fail to deliver joined up services to the public • Failure to respond to the key financial and organisational challenges that dominate the medium-term planning horizon of the Council. • Improvements to social economic and environmental wellbeing of the areas not achieved. • Failure to meet statutory obligations • Risk of Judicial Review in respect of new models of service delivery. 	3	4	Critical	<ul style="list-style-type: none"> • Corporate Plan 2022 - 2027 sets out the Councils vision, values and priorities for the next 5years. The plan is intended to clarify the future direction of the Council, mobilise the resources and planning of services and activities to ensure all are being directed to deliver against the agreed priorities. Corporate Plan incorporates the Wellbeing - Objectives • Medium Term Financial Strategy reviewed and updated on an annual basis to reflect known and emerging pressures and ensure alignment with the Corporate Plan. • Community engagement underpins budget reduction decisions •The Council has a Corporate Leadership Team in place with a focus on the need to invest in prevention, change and sustaining priority services • Council actively pursuing partnership opportunities to sustain service delivery and manage service pressures. • Commercial Team and Strategy which will identify income generation and service transformation opportunities to reduce costs, improve efficiency and release resources for investment into priority areas; •Strategic Commercial Commissioning Board •Commercial Strategy •Corporate Digital and ICT Programme •Development of the Business and Commercial Network (BaCON) •Investment Strategy • New operating model to improve further efficiency of the organisation. 	3	4	Critical	<ul style="list-style-type: none"> •Strengthened performance management to ensure accountability at senior manager level for the delivery of change and efficiency. • Enhanced awareness raising with Members of pressures • Developed Corporate Business Planning Workshops to update Business plans • Increased the scope of Wider Corporate Leadership Team to increase accountability. • Looking at collaboration opportunities with neighbouring authorities. • Programme of Business Reviews (Bridging the Gap) supports Budget setting and in previous years (2019 -2023) enabled the Council to invest in services where there were pressures thereby sustaining service delivery 	1	4	Medium

Quarter 2 Progress Update (July – September 2023)

The Medium-Term Financial Strategy has been developed and shared with Members through briefing sessions but it is highlighting a budget gap in excess of £33m between 2024/25 to 2028/29 which is being driven by higher than forecast pay awards, the continuing high levels of inflation and demand for services as a result of the cost-of-living crisis.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Strengthened performance management to ensure accountability at senior manager level for the delivery of change and efficiency.	CLT	Ongoing	Several proposals have been introduced during quarter 2 to increase senior management accountability and to provide wider support and assistance to build and develop consistent business cases. Workshops have been ongoing between Wider CLT and performance colleagues to ensure greater accountability and strengthen performance management.	On track
Enhanced awareness raising with Members of pressures	RH	Commenced in quarter 2	<p>Work has commenced in outlining the Council’s budget position for 2024/25 to Members and the cuts necessary to obtain a balanced budget going forward. As part of the current financial pressures with inflation and high energy costs, we agreed that we would introduce Budget Monitoring Briefing allowing all Members to be aware of the current financial position of the authority. The initial briefing took place during September 2023 (Q2)</p> <p>As part of financial management framework, it was agreed to reintroduce the Members Cross Pressure Sub-group to monitor in year cost pressures and the mitigating actions introduced.</p>	Complete. Will move to current controls as ongoing.
Developed Corporate Business Planning Workshops to update Business plans	GW	Commence in quarter 2	Corporate business planning workshops to update business plans commenced in Quarter 2. Discussions at CLT as part of ensuring greater accountability across senior management and to share good practice and provide a protected space for leaders to review and update the previous work within the plan.	Complete. Will move to current controls as ongoing.
Increased the scope of Wider Corporate Leadership Team to increase accountability.	CLT	Commence in quarter 2	The membership and scope of Wider CLT has been increased to ensure a consistent message is provided to managers and staff and gain greater accountability for performance and financial management.	Complete. Will move to current controls as ongoing.
Looking at collaboration opportunities with neighbouring authorities.	CLT	Ongoing	Directors and Heads of Service continue to discuss opportunities with neighbouring authorities of working together to deliver shared services.	Ongoing but encountering some issues (that can be addressed)

<p>Programme of Business Reviews (Bridging the Gap) supports Budget setting and in previous years (2019 - 2023) enabled the Council to invest in services where there were pressures thereby sustaining service delivery.</p>	<p>CLT</p>	<p>Ongoing</p>	<p>Being more commercially minded is key to supporting the Medium-Term Financial Strategy (MTFS), we are slowly progressing some commercial business cases although due to the decline in the economy the ability to attract private investment to make these business cases stack up is becoming increasingly difficult.</p> <p>Business cases will continue to be developed and will provide Members with the information required to make informed decisions in the coming months, before going out to public consultation at the end of quarter 3.</p> <p>There is recognition that the speed at which business cases are being developed needs to gather pace.</p>	<p>ongoing with issues that need further intervention</p>
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Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>Our ability to be able to deliver statutory services within the current financial envelope has been difficult given the continuation of high inflation and energy costs. Coupled with the worrying position being expressed by Welsh Government around future funding is moving us in a downward trend and increasing our risks as we move through the year and into the next financial year. Based on the messages received from Welsh Government it is recommended that the score remains at critical.</p> <p>Work continues on targets to reduce overall risk / the forecasted direction of travel is a worsening position. Although we are maintaining our delivery of services and continue to be on track overall, we are seeing the impacts of future funding settlements put greater pressure on the authority to find greater cuts in delivering its statutory functions.</p>

Risk Reference CRR 2 Risk Description: Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change. Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Risk Updater: Digital Board / Information Security Officer (SRS) Portfolio holder: Councillor Steve Thomas						Direction of Travel No change 						
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I = Score		
<ul style="list-style-type: none"> • Failure of IT software provider • Lack of investment in IT systems / obsolete equipment • Failure of the SRS to provide service • Lack of specialist support • Cyber security breach • Expansion of the SRS as more partners could affect resilience • Failure to maximise technology and digital innovation through a user centred service design • Global Supply chain shortages • Recruitment & retention difficulties for IT specialists • Replacement of the WCCIS system by January 2026. 	<ul style="list-style-type: none"> • Potential security breach • Service provision affected • Does not meet the needs of evolving council services • Loss of critical / sensitive data • Inability to meet deadlines in business as usual and projects aimed at producing savings through technology use. 	3	4	Critical	<ul style="list-style-type: none"> • Market leading national software providers. • Maintenance contracts & agreements in place covering IT infrastructure. • Investment undertaken to improve the Council's resilience e.g. core system upgrade. ICT budget- security of the infrastructure and security is prioritised, when any ICT spending is required • Shared information security team in place (providing advice and threat assessments to partners (collaboration with Torfaen, Monmouthshire, and Gwent Police) Working with the SRS Information Security team partners are provided with assurance on IT security and cyber resilience. • Servers are now located at the Vantage Data Centre providing an increased level of resilience. • Corporate Digital Programme Developed • SLA with SRS in place approved at Strategic Board annually. • Monthly meetings between SRS and officers to review the programme progress. • Service Design and Digital Leadership board • Monitoring of SRS budget • SRS report for Scrutiny developed • SRS Risk Register • Investment framework • Digital Champion network and Community of practice • Development of Office 365 • SOC / SIEM 	2	4	High	<ul style="list-style-type: none"> • It is anticipated that a more in-depth review of the SLA for 2024/25 onwards will be undertaken with partners in due course • Programme of work to be developed as set out by Digital Board which will also support any Bridging the Gap projects. • Follow up on Digital Maturity Assessment • Maximising use of key corporate systems that have been invested in to include reduction of other systems which duplicate functions • Digital Strategy to be developed • Annual Updates to Governance and Audit Committee as part of the ongoing partnership with SRS. • Further controls in respect of WCCIS replacement <ul style="list-style-type: none"> - Attendance and involvement at all national meetings regarding WCCIS and replacement system. - Regular engagement with the regional team - Advocating as a region with Gwent Local Authorities on a position statement and options appraisal - WLGA working on behalf of Local Authorities - Once agreed, work alongside WG, DHCW and the National team on a new best of breed model. 	1	4	Medium

Quarter 2 Progress Update (July – September 2023)

Update provided in the progress against further controls.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
It is anticipated that a more in-depth review of the SLA for 2024/25 onwards will be undertaken with partners in due course	Digital Team	Q3 onwards	This is still planned to be undertaken. Will link into Strategic Group – SRS 5-year plan recently presented to Strategic Group attendees	On track
Programme of work to be developed as set out by Digital Board	Digital Team	Ongoing	Programme of work to include maximisation of use of MCS – CRM system across the LA and full use of Microsoft platform to support 3 rd party spend review. This will also support any BTG projects put forward with digital aspirations. Programme update to CLT late November	Ongoing but encountering some issues (that can be addressed)
Follow up on Digital Maturity Assessment	Digital Team	Ongoing	The Digital Maturity Assessment results are in the process of being analysed, some of the results supported the development of the Digital and Transformation strategy.	Ongoing but encountering some issues (that can be addressed)
Maximising use of key corporate systems that have been invested in to include reduction of other systems which duplicate functions.	L Roberts	Ongoing	<p>This is an ongoing process. In Q2 Bridging the Gap (BTG) focus on all things digital (review of licences). BTG Telephony project, focussing on reduction in lines across the LA will result in savings being identified.</p> <p>Explore the full use of My Council Services platform across the LA, this will support services to use this software and potentially turn other systems off, similarly with the full use of Microsoft platforms – this will also result in contracts being reduced if the full roadmap is pushed out across the LA (example of database use – supporting the removal of INCHECK CEPR – there are other database applications used across the LA we can focus on – need full support from all Service Managers to support this – feeds back into Programme of work being undertaken above – will produce savings – all will be captured under the financial modelling exercise</p> <p>Financial Modelling template being devised – to be provided to CLT at programme update late November</p>	On track
Digital Strategy to be developed.			The Council’s Digital Transformation Strategy for 2023 – 2027 was considered by CLT on 24 th Aug and Corporate Overview and Performance Scrutiny Committee on 14 th September. The Strategy will be ratified early October by Cabinet. The strategy sets out the principles and priorities which are essential to improving and delivering Council	Complete. Will move to current controls from Q3

			<p>services in the future. There will be a set of delivery plans against each priority with a number of success measures.</p> <p>The Service Design and Digital Leadership Board will oversee the delivery of the Digital Transformation Strategy. Each year the strategy will have a set of Delivery Plans developed against each priority. The delivery plans will support the strategy and governance arrangements include the Digital board and future working board.</p> <p>The strategy will help the council maximise the opportunity to build good quality systems with those that use and provide them.</p>	
Annual Updates to Governance and Audit Committee as part of the ongoing partnership with SRS	Digital Team	Ongoing	As part of the Forward Work Programme report to go to CLT early November and then Partnership Committee mid-November on progress update	On track
<p>Further controls in respect of WCCIS replacement</p> <ul style="list-style-type: none"> - Attendance and involvement at all national meetings regarding WCCIS and replacement system. - Regular engagement with the regional team - Advocating as a region with Gwent Local Authorities on a position statement and options appraisal - WLGA working on behalf of Local Authorities - Once agreed, work alongside WG, DHCW and the National team on a new best of breed model. 	G Wasley / N Harper	Ongoing	There is concern owing to the timing of the work, the current CareDirector system is out of support in January 2026, and we will need to be on a new system by the closing months of 2025. There is also a risk of transferring all of the current data onto a new system.	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		There is no change to the direction of travel in this quarter. The potential impact of the replacement of the WCCIS system could affect the forecasted direction of travel.

Risk Reference CRR4 Risk Description: Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent Risk Owner - Corporate Leadership Team / Interim Director of Social Services Portfolio holder: Councillor Hayden Trollope Risk Updater: Interim Director of Social Services / Director of Education / Strategic Safeguarding Leads Group							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score	
<ul style="list-style-type: none"> • If there is inadequate assessments and monitoring • If there is a lack of documentation • If there are increasing referrals for services • If there is a lack of appropriate guidance and training • If there is poor communication between all parties (internal / external) • If there is a high turnover of staff and difficulties in recruiting and retaining staff. *If there are increased levels of sickness in key areas. • Failure to recognise that all staff have a duty to report abuse, harm or neglect. • Lack of appropriate guidance and training on safeguarding • Failure to progress the corporate safeguarding action plan via the corporate safeguarding leads group 	<ul style="list-style-type: none"> • Potential significant harm / loss of life • Long term reputational damage and confidence in the Council undermined • Increase in complaints / Potential litigation / prosecution • External intervention • Increased pressure on budgets • Low staff morale 	3	4	Critical	<ul style="list-style-type: none"> • Joint Social Services and Education Scrutiny established (PEOPLE scrutiny committee) • Education Designated Lead and Deputy Officer nominated • Education Safeguarding Officer established and in post • Gwent Adult Safeguarding Board • SE Wales Safeguarding Children’s Board • Safeguarding is a standing item on CMT agenda • Lead Executive Member has been identified for having responsibility for safeguarding • Senior leadership have received Level 1 safeguarding training. • Programme of training for schools underway. • Corporate safeguarding leads established for each directorate who have been requested to identify staff for Level 1 training (3 dates have already been set) • Safeguarding in Education matrix regularly updated • Use of MyConcern software in schools will be used to gather data, monitor positive cases and create consistency across the school estate. The roll-out project team is fully established. • A corporate safeguarding leads group has been established to drive forward the safeguarding agenda and action the recommendations made by the BG Wales Audit Office report 	2	4	High	<ul style="list-style-type: none"> • All directorate business Plans to include safeguarding and include actions required to ensure safeguarding arrangements are in place • Safeguarding Reports into PEOPLE Scrutiny contain corporate safeguarding information from all directorates. Plus and update from the corporate safeguarding leads group • Safeguarding training data to be reviewed by each Directorate to ensure all staff are undertaking this • Regularly review the councils volunteering register to ensure DBS checks are up to date • Ensure the audit Wales BG safeguarding report recommendations continue to be reviewed and met • Each Directorate to undertake a safeguarding self-assessment 	1	4	Medium

Quarter 2 Progress Update (July – September 2023)

Update provided in the progress against further controls. In addition, due to recommendations from Wales Audit report not fully implemented and Directorate self-assessments still outstanding the risk need to remain high.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
All directorate risk registers to include safeguarding and include actions required to ensure safeguarding arrangements are in place.	CLT	Ongoing	Safeguarding is included in all Directorate Risk Registers.	On track
Safeguarding Reports into PEOPLE Scrutiny contain corporate safeguarding information from all directorates.	Corporate Safeguarding Leads Group	Ongoing	<p>The Corporate Safeguarding Performance Report which contains corporate safeguarding activity as well as specific information in relation to Social Services and Education was reported to People Scrutiny Committee in July.</p> <p>The half yearly safeguarding report is in the process of being drafted to present to scrutiny in November.</p>	On track
Safeguarding training data to be reviewed by each Directorate to ensure all staff are undertaking this	Corporate Safeguarding Leads Group	Ongoing	<p>The Corporate Safeguarding Leads Group are looking at the collation and accuracy of training data and reviewing the control measures to ensure its accuracy due to ongoing reporting concerns. Raising awareness for managers via DLT's to ensure staff are completing training in line with the Corporate Safeguarding Training Framework – e.g., Tier 1, Tier 2 and Tier 3.</p> <p>The corporate safeguarding leads group continue to take this forward to ensure accurate capture information to ensure all staff have undertaken this training</p>	Ongoing but encountering some issues (that can be addressed)
Regularly review the councils volunteering register to ensure DBS checks are up to date	Corporate Safeguarding Leads Group	Ongoing	<p>The volunteering register has been updated across the council and all DBS checks are up to date.</p> <p>Periodic checks of the register will need to continue</p>	On track
Ensure the audit Wales BG safeguarding report recommendations continue to be reviewed and met	Corporate Safeguarding Leads Group	Ongoing	The corporate safeguarding leads group continue to lead this work and reporting on progress will be contained in the next scrutiny report.	On track
Each Directorate to undertake a safeguarding self-assessment	Corporate Safeguarding Leads Group	Ongoing	This is in the process of being undertaken by each Directorate with a deadline of 30 th September being set. The safeguarding leads meeting are overseeing this and will be analysing data collection to present at the next CSGL meeting.	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>There is no change in the risk score from the last quarter.</p> <p>Due to recommendations from Wales Audit report not fully implemented and Directorate self-assessments still outstanding the risk need to remain High.</p>

Risk Reference CRR 5 Risk Description: There is a risk that the Council’s Business Continuity processes are not robust enough to enable the provision of critical services in an emergency. Risk Owner: Corporate Leadership Team / Head of Democratic Services, Governance and Partnerships. Portfolio holder: Councillor Steve Thomas Risk Updater: Civil Contingencies Manager							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score	
<ul style="list-style-type: none"> • Disruption due to pandemic influenza / human infectious disease. • Council resources are extremely stretched due to difficulties in recruitment / retention of staff. • High levels of sickness • Power cuts (local / regional / national) • Adverse Weather • Loss of / failure of ICT 	<ul style="list-style-type: none"> • Critical services not provided to an acceptable standard during disruptive incidents • Impact on the community and reputation of the Council • Loss of organisational resilience • Inability to continue or recover urgent (critical) services following an incident / loss / disruption affecting the delivery of services 	3	4	Critical	<ul style="list-style-type: none"> • Alternative working arrangements will continue to manage pressures • Service provision prioritised and Critical services sustained • Planned work/projects reprioritised • Action taken to ensure support in place to promote staff well-being including flexibility on taking annual leave and ensuring officers do take leave * Corporate Plan reviewed and agreed to ensure focus on priorities taking into account the learning from the pandemic • New Working Arrangements implemented including Community Hubs (June 2021), Democratic Hub (September 2021) and Agile Working Policy (September 2021 onwards). • Move of servers from the Civic Centre to Vantage Data Centre to provide resilience. 	2	4	High	<ul style="list-style-type: none"> • Review the Corporate Business Continuity plan (2023), along with the associated policy, business impact assessments and service plan template. • Service area BC plans and arrangements to be reviewed. • Consider resilience of BGCBC buildings • Review of business impact assessments 	1	4	Medium

Quarter 2 Progress Update (July – September 2023)

Update provided in the progress against further controls

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Review the Corporate Business Continuity plan (2023), along with the associated policy, business impact assessments and service plan template.	DG	Ongoing	Policy and service plan template has been reviewed.	Amber - ongoing but encountering some issues (that can be addressed)
Service area BC plans and arrangements to be reviewed.	DG	Ongoing	Not yet started. Awaiting completion of BIAs	Amber - ongoing but encountering some issues (that can be addressed)
Consider resilience of BGCBC buildings	DG	Ongoing	Some consideration around resilience to power outage underway.	Amber - ongoing but encountering some issues (that can be addressed)
Review of business impact assessments	DG	Ongoing	Review of BIAs with service areas is underway.	Amber - ongoing but encountering some issues (that can be addressed)

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Direction of Travel from previous quarter	Forecasted direction of travel	
		There is no change in the risk score from the last quarter.
		No changes to the risk score. Work is underway in quality assuring the BIAs undertaken so far, and services without updated BIAs are being contacted. The work has been delayed due to staffing issues.

Risk Reference CRR 14 Risk Description: Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially. Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Portfolio holder: Councillor Steve Thomas Risk Updater: Head of Organisational Development							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L x I = Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> Downsizing the workforce to meet necessary savings Alternative service delivery models Financial planning inhibits strategic workforce planning Service specifications not amended in line with cuts to services adding pressure to the workforce. Uncertainty of future arrangements Lack of managerial action in applying the attendance management policy Ongoing impact of Covid and long covid on sickness absence 	<ul style="list-style-type: none"> Not having the capacity and capability to deliver services Failure to deliver priorities Direct Impact on service delivery Increased sickness / absence Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g. social care. Breakdown in employer relations and representation at tribunal cases. Increased demand on support services e.g. OD 	3	4	Critical	<ul style="list-style-type: none"> An Attendance Management Policy Occupational Health Service Employee Assistance Programme Strategic focus on wellbeing to include Wellbeing Wednesday Bulletin and Mental Health Training. Dying to Work Charter Training/briefing sessions for managers A policy and toolkit for managing stress An extensive range of flexible working arrangements Regular discussion and learning nationally and regionally Managers recognising good attendance and supporting wellbeing Sickness absence targets set by the Corporate Leadership Team Development of iTrent to provide sickness absence data to manager's in real time and access to a dashboard of sickness absence data. Performance data provided to the Corporate Leadership Team, Heads of Service and Elected Members on a quarterly basis. Sickness performance on Directorate Management Teams, team meetings and an objective for managers as part of annual performance coaching. Health, Safety and Welfare Corporate Group. Workforce engagement (regular 1 – 2 – 1's / performance coaching/ team meetings, weekly managing director newsletter, dedicated engagement and consultation framework with TU's) Bi annual staff surveys, engagement and communication Workforce Strategy 2021 – 2026 was agreed by Council July 2021 Agile Working policy agreed by Council March 2021 	3	4	Critical	<ul style="list-style-type: none"> Management of sickness absence :- -Quarterly directorate reviews of top 20 cases -OD review of long-term sickness – monthly -Recognition of good attendance through one to one and team meetings. -Communication with the workforce on impact of sickness and support available for employees. Strategies to address the impact of Covid and sickness absence:- -Workforce plan for each directorate -review of agile working commencing September 2022 - staff engagement through a staff survey and workshops Understanding the data :- - Setting Performance targets -Workforce profiles to plan and lead service performance. Review of the Attendance Management Policy 	2	4	High

Quarter 2 Progress Update (July – September 2023)

Sickness levels remain high, however, the trend over 2022/23 and the first two quarters of 2023/24 is an improving picture with sickness levels reducing. 2022/23 saw a reduction of 1.29 days per FTE employee compared to 2021/22 and the 2nd Quarter 2023/24 has seen a reduction of 2.33 days (31%) from 7.42 days in 2022/23 to 5.09 days 2023/24.

The annual review 2022/23 has been presented to Corporate Overview and Performance Scrutiny Committee October 23. The Committee considered the report and supported the ongoing actions to support improving attendance and requested that the outcome of the internal audit of compliance is reported back to the Committee. This report will also be reported into Cabinet November 23.

Based on the unpublished All Wales data the Council reports the highest days lost for 2022/23 and is 1.49 days above the next highest Council.

Sickness in the U.K. rose to its highest level since 2004, with workers living in Wales having the highest sickness rate compared to other UK regions. (Office for National Statistics)

Updates Against Further Controls Action Title	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Management of sickness absence;-				
Quarterly directorate reviews of top 20 cases OD review of long-term sickness – monthly	Heads of Service / Managers in conjunction with OD	Ongoing	Regular reviews of the long-term cases are undertaken and ongoing OD support is provided to managers on the management of sickness absence.	On track
Recognition of good attendance through one to one and team meetings. Communication with the workforce on impact of sickness and support available for employees	Managers	Ongoing	Attendance and communication with the workforce on the impact of sickness forms part of regular one to one and team meetings.	On track
Review of the Attendance Management Policy	OD Manager (HR)	February 24	Current policy fit for purpose, review to be finalised	On track
Strategies to address the impact of Covid and sickness absence: -				
Workforce plan for each directorate	CLT	Completed	Workplans developed for each directorate	Completed
review of agile working commencing September 2022	Head of OD	December 23	Review concluded - Report on the conclusion of the review / policy approval to be developed	On track
staff engagement through a staff survey and workshops	Head of OD	Completed	<ul style="list-style-type: none"> • Survey closed - analysis to support review of policy • Focus groups (180 staff) on agile working facilitated by Insight held to gather qualitative data to inform review • A session held to gather feedback from the trade unions • Feedback on the staff engagement presented to CLT • Sessions held with CLT and WCLT • Revised policies drafted 	Completed

			• Briefing held for Elected Members	
Understanding the data :-				
Setting Performance targets	CLT / Heads of Service	Completed	Service and Corporate targets set by CLT	Completed
Workforce profiles to plan and lead service performance.	OD Manager	Annually	Annual workforce plans published ➤ April 23 - Corporate	Completed
	OD Manager	Annually	Annual workforce plans published ➤ October 23 – Schools to be discussed with Headteachers as part of the HR annual visits	On track
Hotspot analysis	OD Manager	October 23	A detailed review and analysis of the 5 ‘hotspots’ where the service outturn in 2022/23 was higher than the Council outturn has commenced and will be presented to CLT (Provider Services, Adult Services, Legal and Corporate Compliance, Community Services and School based staff excluding teachers)	On track
	Internal Audit	November 23	An internal audit of policy compliance of the 5 ‘hotspots’ is being undertaken.	

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>It is recommended that the risk scores remain unchanged, and focus remains on reducing the impact of sickness absence. This is suggested for the following reasons:</p> <p>Whilst sickness levels are reducing the Council had the highest level of sickness in Welsh Local Government in 2022/23 based on the available data</p> <ul style="list-style-type: none"> • The need of financial savings and efficiencies on capacity given the significant financial challenges facing Local Government over the next 3-5 years as well as the continuing cost of sickness absence • The first two quarters are showing a 31% reduction in comparison to the previous year however this covers the period April to September and the next two quarters over the winter months will present more of a challenge. If the Council continues on the same path over the next two quarters and at the end of 2023/24 the reduction in sickness continues for a second year, then it will be appropriate to revisit the scores at that time.

Risk Reference CRR 19 Risk Description: If the Council does not manage its information assets in accordance with requirements set down within legislation, then it may be faced with financial penalties and possible sanctions that hinder service delivery. Risk Owner: Corporate Leadership Team / Chief Officer Resources Risk Updater: Information and Governance Officer Portfolio holder: Councillor Steve Thomas							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L x I = Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> Human error Lack of staff knowledge of requirements of the Act due to lack of awareness and training Inexperienced staff / staff turnover Rogue employee Lack of supervision of less experienced staff. IT failure (e.g. virus) Inadequate data sharing and data security arrangements. Cyber Attack Changes to legislation 	<ul style="list-style-type: none"> Reputational risk Fines for breach and financial loss from compensation claims Loss of service due to time taken to recover information Enforcement action Considerable Risks and potential Detrimental effects for the Data Subjects (Individuals concerned) Safeguarding issues (The service users are often vulnerable individuals so there could be safeguarding issues) Information theft or misuse Financial fraud. A malicious attack on ICT could result in a loss of confidence from those transacting with the Council Legal, asset, system, operational and financial implications 	3	4	Critical	<ul style="list-style-type: none"> Data Protection Officer advises on Data Protection compliance and provides specific advice to officers when required. The Shared Information Security service will provide assurance on IT security and review current systems to advise on the appropriate level of technical security required. Shared information security team in place (providing advice and threat assessments to partners (collaboration with Torfaen, Monmouthshire, and Gwent Police) Working with the SRS Information Security team partners are provided with assurance on IT security and cyber resilience. SIRO is responsible for the organisation's overall information risk policy and risk assessment processes and ensuring they are implemented consistently. Information Governance Forum (organised by the SIRO) has key Officers from across the Authority to review our current Information management arrangements and drive forward improvements to our existing arrangements. Chaired by the SIRO now meet quarterly to ensure a comprehensive information governance framework is in place and operating effectively throughout BGCBC Officer formally appointed in the statutory role of data protection officer Training is provided to staff through e-learning, Teams channels and face to face sessions on an ongoing basis. Adequate Information Security arrangements, technical security etc. IAO's (Information Asset Owners) formally recognised who will: <ul style="list-style-type: none"> Understand and address risks to the information they own Provide assurance to the SIRO on the security and use of these Assets Ensure their team and those interacting with info assets understand information security and are confident in their handling of information Establishment of information asset register A GDPR page is available on the intranet, providing additional guidance for staff In place i) a SOC / SIEM solution to monitor the Council's network providing an enhanced level of protection against Cyber threats ii) Ransomware impact reduction product to reduce the impact of an attack when it does happen SRS Risk Register 	2	4	High	<ul style="list-style-type: none"> Further training for Information Asset Owners and Operational Asset Leads GDPR training refresh programme. Development of web pages and intranet to reduce incoming queries and request *Review of all Information Governance Policies and promote awareness *Briefing session to Members to raise awareness *Annual security awareness programme *PCIDSS (Payment card industry data security standard) is being worked towards 	2	4	High

Quarter 2 Progress Update (July – September 2023)

For Quarter 2 there were 12 data breaches recording (5 in Social Services, 5 in Corporate Services, 1 in Education and 1 in Regen and Environment) of which 1 in Social Services required reporting to the ICO. The ICO have since assessed this and determined that no further action is necessary at this time. In comparison only 6 data breaches were recorded for the same period last year so this is an increase. However, when Q1 and Q2 are combined there are 17 for the year this year compared to 23 for Q1 and Q2 of last year so overall there is a reduction. There have been no patterns identified for the data breaches which have caused concern but a request has been made to SRS following the breach reported to the ICO to establish what options are available to us to minimise the risk when sending marketing emails to large groups of external recipients.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Further training for Information Asset Owners and Operational Asset Leads	Steve Berry DPO/ Rhian Hayden SIRO	Ongoing	New eLearning solution is hoped to provide the solution for training for IAOs and avoid significant costs of external training. In the meantime, a review is to be undertaken of Information Asset Owners in the authority to ensure the right people are trained when this becomes available.	ongoing but encountering some issues (that can be addressed)
GDPR training refresh programme	Steve Berry DPO/ Rhian Hayden SIRO	Ongoing	<p>Progress has been made on the new eLearning pilot and demos have been provided with some discussions taking place on the contracts, data sharing agreements etc on a national basis for the piloting authorities. It is anticipated that this will be available for use in 2024 as a pilot. It is hoped the new eLearning solution (Thingji) will make vast improvements and enable the team to track and monitor GDPR training, send reminders, inform line managers etc.</p> <p>In the meantime, training continues via the existing eLearning solution All Wales Academy eLearning continues to be used to ensure training is available and delivered but this lacks the monitoring, controls and flexibility that the new system promises to offer. The team continues to promote the training however to ensure our obligations are met for training staff. Reminders are being sent manually and training conducted as part of inductions. Where identified face to face or directed training is undertaken where teams identify a need.</p>	ongoing but encountering some issues (that can be addressed)
Development of web pages and intranet to reduce incoming queries and request	Steve Berry DPO/ Rhian Hayden SIRO	Ongoing	<p>A new "Schools GDPR Toolkit" intranet page has been developed for use by schools to provide templates, forms and guidance on how they should handle their Information Governance at the school.</p> <p>Now that this has been rolled out the intention is to widen this and improve the current corporate GDPR pages and resources.</p>	ongoing but encountering some issues (that can be addressed)
Review of all Information Governance Policies and promote awareness	Steve Berry DPO/ Rhian Hayden SIRO	Complete	The Freedom of Information and Data Protection policies were reviewed in Q2 and now approved and live. Further policy updates are planned throughout the course of the year.	ongoing but encountering some issues (that can be addressed)

Briefing session to Members to raise awareness	Steve Berry DPO/ Rhian Hayden SIRO	Complete	Members briefing session took place in July 2022 as part of the members induction and has therefore been completed.	Completed
Security awareness and training programme	Information Security Officer / Rhian Hayden	Ongoing	<p>There is an annual security awareness programme that runs January (to coincide with Data Protection awareness week), June, October (to coincide with national cyber awareness month) and a one-pager at Christmas. It is tracked on the Information Security risk register. Audit Wales have provided confirmation that they are satisfied with the on-going programme we undertake.</p> <p>a Data Protection and Cyber Awareness week will be undertaken in Q3 (October). During this week, it is intended to hold sessions on "retention" and a general "Q&A" session. We are now in the process of finalising the "12 scams of Christmas".</p>	On track
PCIDSS (Payment card industry data security standard) is being worked towards	Information Security Officer / Rhian Hayden	Ongoing	<p>PCIDSS (Payment card industry data security standard) accreditation is being worked towards and this is almost achieved. PCIDSS (Payment card industry data security standard) relates to credit card payments Any company that takes card payments (debit/credit) must align to 12 requirements and the Council only had one point to resolve which was addressing call recording where card numbers were not masked, this has now been removed (the calls with card numbers). The ISO has now carried out successful dip sampling to test and these tests will be carried out quarterly. The PCIDSS policy has been updated as part of our annual policy review schedule.</p> <p>A gap analysis of the 12 requirements of PCIDSS has been undertaken, and we are in a good position to submit our attestation of compliance. The date for this will be confirmed in due course.</p>	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		No change in risk score. No significant changes to the risk occurred during this period with progress being made on many of the controls.

Risk Reference CRR 21 Risk Description: The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability. Risk Owner: Corporate Leadership Team / Chief Officer Resources Portfolio holder: Councillor Steve Thomas Risk Updater: Chief Officer Resources							Direction of travel Increasing risk					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I = Score		
<ul style="list-style-type: none"> ● Sustained funding reductions ● Cost of Living effect on increases and associate reduction in Council income from Council Tax / Rates ● Increased third party spend due to increase in supply cost of labour / energy prices / ● Increased demand and cost for services ● Inability to effectively manage budgets in order to achieve balanced budgets within year ● Financial planning arrangements not long term in its perspective or aligned to corporate priorities. ● Medium Term Financial Strategy is not robust or flexible enough to adapt to change. ● Medium Term Financial Strategy is not aligned with other key strategies ● Inability to deliver intended savings ● Lack of capacity within Finance Teams ● Lack of Member engagement and scrutiny of savings plans. Lack of political support for business cases ● Not receiving an audit opinion on accounts ● Failure to become more commercially minded ● Potential impact of equal pay claims – representations on equal pay and one case as part of employment tribunal system 	<ul style="list-style-type: none"> ● Inability to deliver effective services or provision of lower quality services to residents and businesses of the Borough. ● Unplanned reduction in services provided ● Lack of improvement in key areas ● Failure to achieve corporate priorities ● Depletion of reserves ● Potential impact on ability to borrow and be awarded grants ● Significant reputational risk from intervention 	3	4	C r i t i c a l	<ul style="list-style-type: none"> ● Budgets firmly aligned with Council priorities ● Service prioritisation and planning ● Medium Term Financial Strategy regularly reviewed and updated to reflect known and emerging pressures and ensure alignment with the Corporate Plan. agreed in December 2022 (currently undergoing review) ● Impact of new and existing burdens / budget pressures being continually assessed ● Risks associated with potential budget reductions evaluated prior to implementation ● Budget monitoring refined and forecasting included within financial monitoring reports. ● Council have an agreed target level (minimum) of general reserve (4%) and reserves regularly reviewed by the Chief Officer – Resources and relevant officers. General and Earmarked Reserves are also scrutinised by Corporate Leadership Team, members of Scrutiny Committees and the Cabinet as part of the Council’s financial reporting framework. ● Financial monitoring arrangements include quarterly briefings for (scrutiny) and consideration of forecasts by the Cabinet. ● MTFs proposes a contribution to reserves on an annual basis ● Multi skilled teams involved in development / assessment of business cases. 	3	4	C r i t i c a l	<ul style="list-style-type: none"> ● Delivery & further development of the Bridging the Gap Programme. This will include the development and consideration of new business cases relating to commercial opportunities, service changes and budget cuts / additional income generation to balance Council budget. 	2	4	H i g h

Quarter 2 Progress Update (July – September 2023)

The review of the MTFS identified increased budget gaps of approximately £33m over the next 5 years, with £10m needed to balance the budget in 2024/25. High inflation continues to have a significant impact on the cost of delivering services to the public and the funding outlook in the medium term looks difficult. The current forecast for 2023/24 remains positive with outturn as at Q2 a favourable variance (continuing from Q1 which may give the Council a little flexibility for 2024 / 2025 however there remains some uncertainty round pay and prices with inflation remaining higher than expected into the immediate future.

During Q2 business cases have and continue to be developed for Council to consider – if agreed these will contribute to budget gaps required in future years however there is still some way to go to identify the full budget reductions / savings required for 2024/25 and the longer term.

It is recommended risk score remains Critical.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Delivery & further development of the Bridging the Gap Programme. This will include the development and consideration of new business cases relating to commercial opportunities, service changes and budget cuts / additional income generation to balance Council budget.	CLT	Ongoing	<p>The review of the MTFS identified increased budget gaps of approximately £33m over the next 5 years, with £10m needed to balance the budget in 2024/25.</p> <p>During Q2 business cases have and continue to be developed for Council to consider – if agreed these will contribute to budget gaps required in future years however there is still some way to go to identify the full budget reductions / savings required.</p> <p>Significant pace now needs to be injected into business case development to commence engagement on proposals with Members and the public.</p>	<p>ongoing with issues that need further intervention</p>

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>There are increasing concerns surrounding the financial sustainability of Welsh local authorities. The Welsh Local Government estimate a budget gap of between £330m £480m in 2024/25 which will have serious impacts on local service delivery. The Welsh Government has described its budgetary position as 'the most difficult financial situation since the dawn of devolution'.</p> <p>Given the Council's reliance on Welsh Government funding and the national picture it is recommended that the score remains at critical.</p>

Risk Reference CRR 22 Risk Description: Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves. Risk Owner: Corporate Leadership Team / Chief Officer Resources Portfolio holder: Councillor Steve Thomas Risk Updater: Chief Officer Resources							Direction of Travel Decreased risk 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score L X I = Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status				
<ul style="list-style-type: none"> • Council priorities are unclear and unrealistic • Cost of Living effect on increases and associate reduction in Council income from Council Tax / Rates • Increased third party spend due to increase in supply cost of labour / energy prices / • Increased demand and cost for services in • Significant challenge arising from increased demand and cost of services • Budgets not aligned with corporate priorities • Risk that savings identified as part of business as usual and efficiencies have not been robustly reviewed for achievability and will not deliver as planned • Priorities of political administration may have an impact on budget decisions • Customer participation not as expected. e.g. recycling / waste • Unexpected financial challenges or additional obligations arising. • Monitoring failure / lack of financial information / budgetary control information. • Failure of projects under the preventative agenda. 	<ul style="list-style-type: none"> • Requirement to implement emergency measures to reduce spending during the financial year thus adversely impacting on ability to meet corporate plan objectives • Increasing adverse effects on the community of Blaenau Gwent that rely on the services being delivered. • Requirement to draw from general reserves at the year end • Risk of failing to meet statutory obligations • Risk that financial constraints and budget proposals result in unintended consequences such as increased instances of non-compliance and financial impropriety • Unplanned cutbacks in staffing and potential for increased sickness absence in the workforce due to increasing workload • Impact on capital programme and 21st Century Schools Programme 	3	4	critical	<ul style="list-style-type: none"> • Budgets firmly aligned with Council priorities • Service prioritisation and planning • The Medium Term Financial Strategy is regularly reviewed and updated to reflect known and emerging pressures and ensure alignment with the Corporate Plan. • Impact of new and existing burdens / budget pressures being continually assessed • Risks associated with potential budget reductions evaluated prior to implementation • Budget monitoring refined and forecasting embedded into financial monitoring reports. Financial monitoring arrangements include quarterly scrutiny by members of Joint (Budget) Scrutiny Committee and consideration of forecasts by the Cabinet (and Cost Pressure subgroup) • Public engagement events held annually to ascertain public opinion on savings proposals. • Council have an agreed target level of general reserve (4%) and reserves regularly reviewed by the Chief Officer – Resources and relevant officers. General and Earmarked Reserves are also scrutinised on a quarterly basis by Corporate Leadership Team, members of Scrutiny Committee and the Cabinet. • Use of the Market Intelligence gathered from the Strategic Commercial Commission Board (SCCB) to support the council's budget setting process for 23/24 and beyond 	3	4	critical	<ul style="list-style-type: none"> • Implement relevant opportunities for savings and service improvement to address current and emerging cost pressures and underperformance (Strategic review, internal service reviews) • Bridging the Gap Programme 	1	4	Medium

Quarter 2 Progress Update (July – September 2023)

The current forecast for 2023/24 remains positive with outturn as at Q2 a favourable variance (continuing from Q1). The cost pressures identified during Q1 continue and there remains some uncertainty round pay and prices with inflation remaining higher than expected into the immediate future.

Current indications suggest no deterioration in the position in year however there has been no significant positive movement, the risk score therefore remains critical.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Implement relevant opportunities for savings and service improvement to address current and emerging cost pressures and underperformance (Strategic review, internal service reviews)	CLT / Service Managers	Ongoing	<p>Emerging in year cost pressures are being managed within the Council’s overall revenue budget.</p> <p>Where overspends cannot be overset by compensatory savings within individual budgets then either cross portfolio budget virements are being actioned or Action Plans to address the pressures are being developed.</p>	On track
Bridging the Gap Programme 2023 2024	CLT / Service Managers	Ongoing	<p>In setting its budget for 2023/24 the Council agreed proposals of £3m.</p> <p>Whilst good progress is being made against delivering some of these proposals others have / are experiencing difficulty and are not delivering as expected. Currently the Council is on track to deliver £2.2 million of the £3 million savings proposed.</p> <p>Where possible alternative savings are being identified or the pressures are being absorbed within underspending budgets.</p>	ongoing but encountering some issues (that can be addressed)

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>The overall forecast outturn across all Portfolios as of 30 September 2023, is a favourable variance £1.42m after utilising £3.5m from reserves. Whilst there is a significant use of reserves forecast this is an improving position compared to quarter 1 when the forecast was a favourable variance of £0.97m including a forecast use of reserves of £4m.</p> <p>Given the continuing uncertainty it is proposed the risk remains critical.</p>

Risk Reference CRR 25 Risk Description: The 2 schools in an Estyn category and currently in receipt of Council Intervention fail to make appropriate progress against the Statutory Warning Notice to Improve and their Post Inspection Action Plans. Risk Owner: Corporate Leadership Team / Director of Education Risk Updater: Director of Education / Education DMT Portfolio holder: Councillor Sue Edmunds							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L	I	Score
<ul style="list-style-type: none"> • There is insufficient progress through each Post Inspection Action Plan (PIAP) as recognised by the Local Authority and ESTYN. • The priorities for leadership within the school are deflected to other external factors which in turn impact upon their ability to focus upon school and regulators priorities. • Failure to improve standards • Governing Body does not provide effective support and challenge on relevant school priorities and hence hinder the progression of key actions and processes in order to improve the school and as set out in each PIAP. 	<ul style="list-style-type: none"> • The implementation of further statutory interventions available under provisions set out in the school Standards and Organisation Act Wales 2013 i.e. implementation of additional grounds • Not being removed from the statutory follow up categories within appropriate timescales. • Failure to improve standards in key identified areas • Failure to meet the requirements of the national reform agenda and improve learner outcomes and wellbeing appropriately • Failure to secure good performance in line with new national performance indicators i.e. for 2019 and beyond • Failure to address the requirement as set out in the current Statutory warning notices to improve 	3	3	High	<ul style="list-style-type: none"> • Team Around the School meetings that are now held on a half-termly basis • Bespoke support from the EAS and relevant Council wide services provided to school leadership and governing body • Improvement Conference Statutory Warning Notice in place and being monitored. • ESTYN monitoring visits • Works undertaken on the school building to address health and safety concerns. 	3	3	High	<ul style="list-style-type: none"> • Further use of provision as set in the School Standards and Organisation Act Wales 2013 as deemed appropriate and based on evidence. • LA/EAS Review • Review of SWN's 	2	3	Medium

Quarter 2 Progress Update (July – September 2023)

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
<p>Further use of provision as set in the School Standards and Organisation Act Wales 2013 as deemed appropriate and based on evidence.</p> <p>Review of SWN's</p> <p>LA/EAS Review</p>	<p>Interim Corporate Director of Education</p>	<p>Ongoing</p>	<p>Brynmawr Foundation School Following 2 Estyn review visits which identified positive progress against the recommendations and higher than anticipated key stage 4 results in August 2023 the Statutory Warning Notice was reviewed in Sept 2023 and has been lifted. Progress against the further controls has been evidenced by the Estyn visits and an EAS review in Summer as well as the Key stage 4 results. As the school remains in an Estyn category at present there is no revision to the score at the moment.</p> <p>River Centre Leadership has been strengthened with a secondment to the Head of the Secondary Phase. The Local Authority has taken over transport to school arrangements enabling the school to concrete on behaviour and curriculum development. Further work is being undertaken on the outdoor area of the school site and there has been further recruitment to teachers and teaching assistants. Some staff have agreed packages to end contracts. There is a new school improvement partner who is a Headteacher at a specialist school</p> <p>An Estyn visit is awaited in Q3 in both schools and both schools are still receiving enhanced support from the Education Achievement Service.</p>	<p>On track</p>

Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>The direction of travel in respect of Brynmawr Foundation School is a lowering risk. In respect of The River Centre there is no change at present, but progress against the PIAP is evident and recognised by Estyn in their re-visit in Summer 2023. Improving position. There is confidence that BFS will come out of an ESTYN category in either Autumn or Spring Term</p> <p>In respect of the River Centre there is confidence that the next ESTYN inspection will show good progress against the PIAP. However, it is recognised that the Estyn inspection identified a number of recommendations and that significant improvements need to be made in the school in a number of areas</p>

Risk Reference CRR 28 Risk Description: Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively. Risk Owner: Corporate Leadership Team / Chief Officer Customer and Commercial Portfolio holder: Councillor Steve Thomas Risk Updater: Head of Organisational Development							Direction of Travel No change 					
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score		
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score	
<ul style="list-style-type: none"> • Failure to recruit / retain sufficient permanent staff to a significant number of posts due to significant market challenges experienced nationwide (post leaving the EU and Post COVID 19) • Competition from other employers and the private sector where there is more flexibility in respect of salary and terms and conditions. • Fixed term contracts rather than permanent are not attractive. • Downsizing the workforce to meet necessary savings • Alternative service delivery models • Large numbers of workforce over the age of 55 years of age meaning that staff with significant knowledge and experience could leave. • Service specifications not amended in line with cuts to services adding pressure to the workforce. • Impact of sickness absence on workforce • Post pandemic staff priorities • Reliance on key staff for response to key issues / incidents. 	<ul style="list-style-type: none"> • Not having the capacity and capability to deliver services • Failure to deliver priorities and direct impact on service delivery • Increased sickness / absence • Risk of not meeting statutory or legislative requirements in relation to specific workforce requirement e.g., social care. • Over reliance on agency staff • Inability of Council to provide support in response to emergencies (e.g., support provided during the pandemic and cost of living crisis). 	3	4	Critical	<ul style="list-style-type: none"> • Workforce Strategy 21-26 • Directorate Workforce Plans • Annual workforce profiles containing recruitment and retention data to support workforce planning. • Commitment to paying the real living wage • Good terms and conditions and pension provisions. • Flexible working • Agile working • Grow our own – Apprenticeships • Career paths for staff to develop and progress • Focus on health and wellbeing • Occupational Health Service and Employee Assistance Programme • Recruitment and Market Supplement Policy • Competency framework and performance coaching • Recruitment and retention review presented to CLT • Development opportunities for staff • Career Promotion Officer to focus on recruiting and retaining in key areas in social services • Use of recruitment days / events to target and support potential candidates through the process • Social Worker Development Strategy • Jobs Bulletin re-introduced 	3	3	High	<ul style="list-style-type: none"> • Marketing of the Council as an Employer of Choice. Effective use of social media / linked-in for recruitment and targeted campaigns including use of video case studies. • Modernisation of recruitment content on website • Development of recruitment and onboarding within ITrent • Directorates to implement and review workforce plans • Review of the Recruitment Policy • Inclusion of leavers data in the annual workforce profiles for directorates • Effective management of sickness absence • Recruitment and retention data to be presented to CLT • Maximisation of any regional campaigns particularly in Social Services 	2	2	Medium

Quarter 2 Progress Update (July – September 2023)

Temporary arrangements in place for the vacant Chief Executive post, to include backfill in Social Services, temporary leadership arrangements in place in Education Discussions held with the Leader to progress with the recruitment to the Chief Executive post. Report to Council July 2023 with plan for recruitment autumn 2023. Business Cases started to be developed to meet the savings requirements for 2024/25.

Updates Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Marketing of the Council as an Employer of Choice. Effective use of social media / linked-in for recruitment and targeted campaigns including use of video case studies.	OD Manager (HR)	Ongoing / subject to ITrent development timescales to be agreed	<ul style="list-style-type: none"> • Post in place in Social Services to support with promoting careers in care and improving advertisements for roles in Care; • Social Media used to advertise roles further discussion on enhancing 	On track
Modernisation of recruitment content on website	OD Manager (HR)	Ongoing / subject to ITrent development timescales to be agreed	<ul style="list-style-type: none"> • Initial work completed to modernise the content on the website further discussion on marketing and website to be held with the Communications and Marketing Team • Linked to the development of the recruitment module in ITrent and work to enhance the application processes 	On track
Development of recruitment and onboarding within ITrent	OD Manager	Tbc in conjunction with Midland HR following initial scoping exercise	<ul style="list-style-type: none"> • Report to CLT to agree development plan for ITrent 2023/24 • 2 Scoping sessions held with OD staff to plan development of the recruitment module in ITrent • linking with another local authority to learn from their experience, • Scoping session planned with Midland with a view to develop timeline and plan for development 	On track
Directorates to implement and review workforce plans	CLT	Annual review in line with business planning	<ul style="list-style-type: none"> • Workforce plans developed • HR development session held with WLGA on workforce planning • Leadership development sessions planned with the WLGA on workforce Planning • Discussion document to CLT on review of Workforce Plans, to include the workforce profile - agreed that Workforce Plans would be reviewed as part of business plan review process. 	On track
Review of the Recruitment Policy	OD Manager	December 23	<ul style="list-style-type: none"> • Draft policy developed and unions consulted. 	On track

Inclusion of leavers data in the annual workforce profiles for directorates	OD Manager	Completed	<ul style="list-style-type: none"> Leavers data has been added to the annual workforce profiles 	Completed
Effective management of sickness absence	Managers	Ongoing	<ul style="list-style-type: none"> Annual review of sickness absence report developed for CLT and scrutiny, to include request for audit to undertake a compliance audit in areas identified as hot spots Ongoing management of sickness absence – quarter 2 2023/24 is an improving picture in comparison to the previous year Refer to Risk CRR14 for full details 	On track
Recruitment and retention data to be presented to CLT.	Head of OD	Completed	<ul style="list-style-type: none"> Recruitment and retention information presented to CLT Workforce Profiles Corporate reviewed at CLT, Directorate profiles reviewed at management teams and schools being rolled out autumn 2023 	Completed
Maximisation of any regional campaigns particularly in Social Services	Heads of Service in conjunction with OD	Ongoing	<ul style="list-style-type: none"> Services are linking into regional approaches, an example being care roles within Social Services 	On track

Direction of Travel from previous quarter	Forecasted direction of travel	
		No change in direction of travel since the last quarter however the forecasted direction of travel is a worsening position in line with the financial savings plans and potential downsizing of the workforce and the impact on capacity

Risk Reference CRR 30 (a) Risk Description: Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities and staff have created significant challenges for those already in need. Risk Owner: Corporate Leadership Team / Interim Director of Social Services Portfolio holder: Councillor Hayden Trollope Risk Updater: Cost of Living Crisis Operational Working Group						Direction of Travel No change 			
Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk
		Likelihood	Impact	Status		Likelihood	Impact	Status	
<ul style="list-style-type: none"> Increased costs of household energy bills, food and fuel and stagnation in wages. Volatility in the energy market as a result of the war in Ukraine Shortages and delays as a result of exiting the EU Legacy of COVID disruption to supply chains 	<ul style="list-style-type: none"> Increased Debt Reduction in Household income Negative impact on health and wellbeing of communities. Increased homelessness 	3	4	C r i t i c a l	<ul style="list-style-type: none"> Cost of living crisis operational group set up which is seeking to address challenges across the community and staff. Cross Party Working Group in place to monitor Links in place with key organisations (Wellbeing Partnership in place) Warm HUBS in place during the colder months Communication campaigns running to provide information to residents about support available Discretionary grants Employability Group in place Food Poverty Action Plan 	3	4	C r i t i c a l	<ul style="list-style-type: none"> Development of Action Plan for 2023 / 2024

Quarter 2 Progress Update (July – September 2023)

The cost-of-living crisis has created a scenario where the cost of everyday essentials such as energy and food is rising over and above average incomes.

There will need to be consideration in Quarter 3 as to whether this is an issue rather than a risk. If the view is that it is an issue which the Council is currently responding to, then it will be removed from the Corporate Risk Register.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Development of Action Plan for winter 2023 / 2024	Cost of Living Operational Group	Complete	Action plan for winter 2023 / 2024 completed and shared with the cross party Member led working group in Quarter 2 (September). The high-level actions within the plan centre around Support for residents (Housing / Food / general support and Communication / Engagement with the public / staff. The action plan is updated and monitored by the Cost-of-Living Operational Group who meet on monthly basis. A review of warm hubs and foodbanks is underway and a cost of living events are planned for Q3 (November). Cost of living advice communication is currently being developed to run through the winter months for the public and staff members.	Complete

Direction of Travel from previous quarter	Forecasted direction of travel	
		As an authority we recognise that we do not control all the necessary levers to mitigate against the full impact of this crisis however we recognise the need to focus on the steps we can take to alleviate the effects of the crisis.

Risk Reference CRR 30 (b)
Risk Description: Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent.
Risk Owner: Corporate Leadership Team / Corporate Director of Regeneration and Community Services Risk Updater: Cost of Living Crisis Operational Working Group
Portfolio holder: Councillor Hayden Trollope or Councillor John Morgan

Direction of Travel
 No change 

Triggers	Consequences	Inherent Risk			Current Controls	Residual Risk			Proposed further controls to mitigate / reduce risk	Target Score	
		Likelihood	Impact	Status		Likelihood	Impact	Status		L x I =	Score
<ul style="list-style-type: none"> War in the Ukraine Negative impact of the exit from the EU Post pandemic Reliance on grant funding to develop and deliver key regeneration projects / programmes. Outside EU and new laws/charges 	<ul style="list-style-type: none"> Business closure due to energy costs, inflation, and Cost of living implications. new EU import duty on goods and raw materials affecting overall production costs for business (automotive hard hit) new export procedures still posing exporting issues for goods to EU – potential to slow or stop productivity, can result in job losses 	3	4	Critical	<ul style="list-style-type: none"> Cost of living crisis operational group set up which is seeking to address challenges across the community Action plan in place for 2023 2024 Cross Party Working Group in place Employability Group in place Regular emails on business development to local businesses. In addition to this business engagement meetings with key business based in BG. Priority for team business start-ups, local businesses with growth and business retention issues. We continue to seek new inward investment projects i.e. business relocation projects to create further employment opportunities Working closely with partners on sending out information and guidance where possible. Working with key partners, Business Wales, Dev Banc, Chamber Wales that has export documentation service for SMEs Shared Prosperity Funding. Businesses advised on grant eligibility with the new Business Development Grant Scheme. 	3	4	Critical	<ul style="list-style-type: none"> Economic Stimulus measures further to be introduced. Kick Start plus grant for businesses wishing to grow within three years of business trading. 		

Quarter 2 Progress Update (July – September 2023)

Update provided below

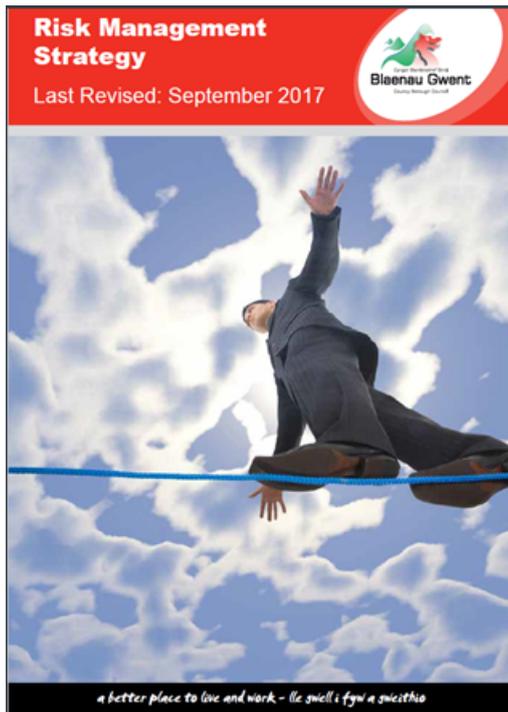
There will need to be consideration in Quarter 3 as to whether this is an issue rather than a risk. If the view is that it is an issue which the Council is currently responding to, then it will be removed from the Corporate Risk Register.

Progress Against Further Controls	Responsible Officer	Due Date	Comments / Update on Progress	BRAG Status of further controls
Business Support and Economic Stimulus measures to be introduced. (Enterprise Facilitation and Business Development Grant scheme).	Moe Forouzan	Ongoing	<p>The Business Development Grant scheme, which targets business growth and new enterprises developing in BG (Capital grant £25k and revenue £25k).</p> <p>Business Development Grant Summary</p> <ul style="list-style-type: none"> • 53 Expressions of Interest received resulting in 46 applications issued. • 23 Full applications received – 8 withdrawn or ineligible. • 14 Grants approved, totalling £257,831.55. <ul style="list-style-type: none"> o £310,839.05 of private sector investment (78%) • 21 FTE jobs to be created and 60.5 FTE jobs to be safeguarded. <p>The Enterprise Facilitation project was relaunched in June 2023. Enterprise Facilitation is a free, informal, and confidential service for aspiring entrepreneurs and business owners within Blaenau Gwent. The Enterprise Facilitation® model places no time constraint on an Enterprise Facilitator’s time or length of support available, which means clients will always have access to the form of support needed, as and when issues arise.</p> <p>Two new Enterprise Facilitators have been recruited to deliver the Enterprise Facilitation model as well as lead on the day-to-day marketing and communications for the Business & Innovation team, including implementing new digital ways of working via Evolutive and Blaenau Gwent Business Hub, to improve customer experience and promote local business support initiatives and ensure local business development opportunities are maximised. The EFs will also support the development of an effective business networking forum for start-up, new and small businesses in Blaenau Gwent</p>	On track

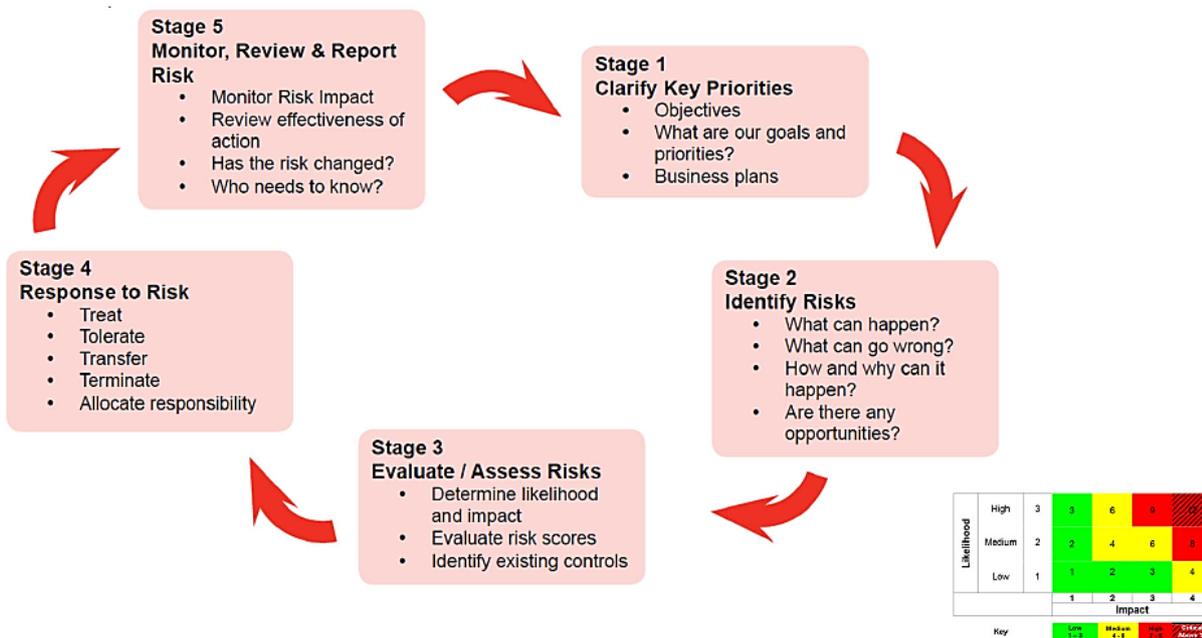
Direction of Travel from previous quarter	Forecasted direction of travel	
		<p>We continue to monitor the economy within Blaenau Gwent but note the economic stimulus measures are making a difference. 29.9% more businesses start-ups in Blaenau Gwent during the first eight months of this year compared with the corresponding period of last year, according to latest data from BankSearch. This growth rate ranks Blaenau Gwent at 2 out of the 22 Welsh districts.</p>

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Corporate Risk Report Definitions and Guidance



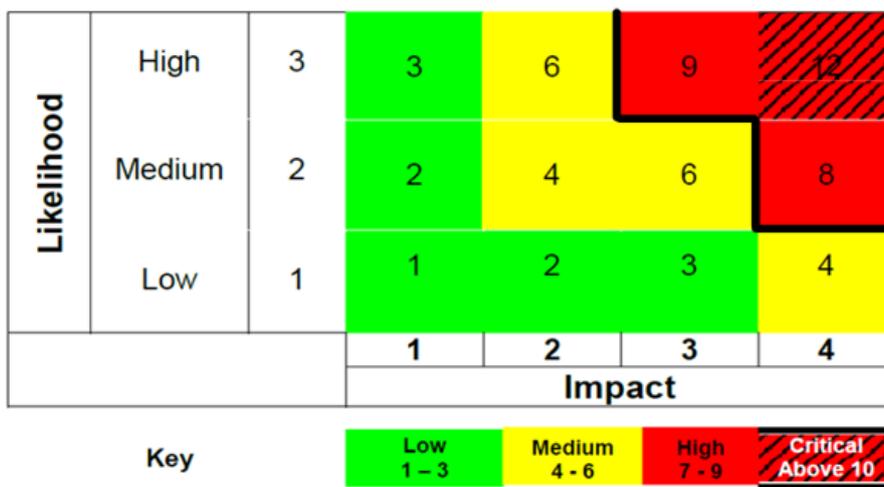
The Risk Management Process



Blaenau Gwent has adopted a 3 by 4 matrix approach (below) where the likelihood will be rated with a score between 1 to 3 and the impact between 1 and 4. A risk score is calculated by multiplying the likelihood and the impact together. This will be the inherent risk score (without any controls in place).

The black line indicates the “risk appetite” as agreed by Corporate Leadership Team (CLT). Risks that fall to the left of the black line are within agreed appetite and require less managing. Risks that fall to the right are outside the appetite and therefore need to be escalated for consideration to the Corporate Risk Register and managed more actively.

Risk Matrix - Blaenau Gwent Council's risk matrix.



Inherent risk score (before controls) and Residual risk score (after controls)

Risks will be scored twice, once without any controls in place which will be the inherent risk score and once taking into account the control measures which will determine the residual risk score.

Risk Score	Definition
Inherent Risk Score	The assessment of the risk score before controls have been applied.
Residual Risk Score	The assessment of the risk score after controls have been applied.
Target Risk Score	The level to which we anticipate we can manage the risk down to.

The process of scoring risk is subjective, and everyone will have a different perception of a particular risk. To help in this process and to introduce a common baseline so that individual risks (financial and non-financial) can be compared on a like by like basis across the Authority, formal quantification guidance has been introduced.

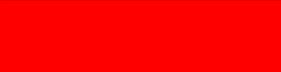
IMPACT OF RISK				
Impact / Outcome One or a combination of the following	Low (minor)	Medium (moderate)	High (Significant)	Critical (Major)
Financial / Business– Budget Impact	Low financial loss or overspend of less than. £50,000 Unless the loss or overspend can be offset within service budgets.	Financial loss or overspend of £50,000 - £250,000 Unless the loss or overspend can be offset within service budgets.	Financial loss or overspend of £250,000 - £1,000,000 Re - alignment of Corporate Budget	Financial loss or overspend of over £1,000,000. Re - alignment of Corporate Budget
Effect on service delivery Or Effect on service provision (refer to the Business Impact Analysis in the Business Plan)	Minor / brief disruption to operations requiring action / minor delay. Handled within the normal day to day routines Less than 20 day loss of service to non- urgent (P7) service area.	Moderate disruption / for a short period. Services do not fully meet needs. Service action will be required. Less than 24 hour partial loss of service (s) with P1 or P2 Activities Less than 5 day significant loss of services (s) with P3 or P4 activities Less than 10 day significant loss of service (s) with P5 or P6 activities	Significant disruption. Key targets missed, service compromised. Management action required to overcome medium term difficulties. More than 24 hour significant loss of service(s) with P1 or P2 activities More than 5 day significant loss of service(s) with P3 or P4 activities More than 10 day significant loss of service(s) with P5 or P6 activities	Major disruption / Cessation of core activities, service is severely degraded. CLT action required. More than 24 hour total loss of service(s) with P1 or P2 activities More than 5 day total loss of service(s) with P3 or P4 activities More than 10 day total loss of service with P5 or P6 activities
Implications for achievements of key targets / objectives	Impact on the delivery of, or failure to achieve, one or more Service Area Priorities / Service Area Strategic Objectives.	Impact on the delivery of, or failure to achieve, one or more Directorate Priorities / Directorate Strategic Objectives.	Impact on the delivery of one or more Corporate Priorities / Corporate Strategic Objectives or Corporate Collaborations.	Failure to deliver one or more Corporate Priorities / Corporate Strategic Objectives or Corporate Collaborations.
Effect on stakeholders / community	Some minor / short term effect on stakeholders' welfare / wellbeing / financial stability.	Moderate / short terms effect on stakeholders' welfare / wellbeing/ financial stability.	Significant / medium term effects on stakeholders' welfare / wellbeing / financial stability.	Major / long terms effect on stakeholders' welfare / wellbeing / financial stability. May face life threatening consequences

IMPACT OF RISK				
Impact / Outcome One or a combination of the following	Low (minor)	Medium (moderate)	High (Significant)	Critical (Major)
Health and Safety and Human Welfare. (Impact can be on staff or the public)	Minor injury no injuries beyond 'first aid' level. Minor impact on staff morale / stress levels	Moderate Injuries requiring medical treatment Potentially some workdays lost	Serious injuries or stressful experience requiring long term medical treatment. Multiple workdays lost. Incident reportable to HSE i.e. serious injury / over 7 days lost from work.	Fatality(ies) Life threatening or multiple serious injuries or prolonged workplace stress.
Legal, Statutory Compliance and Reputation	Breaches of local procedures / standards Increase in complaints minimal reputational damage; little public interest; unlikely to have impact on corporate image.	Breaches of regulations / standards High potential for complaints; local press coverage; litigation possible (e.g. complaint to Ombudsman) Short term reduction in public confidence Some unfavourable media coverage leading to short term reduction in public confidence	Breaches of law punishable by fines. Adverse national publicity; Long term reduction in public confidence Scrutiny required by external agencies, (e.g. Audit Commission) Fines of between £250,000 to £1,000,000	Possible criminal or high profile civil action against the Council, Members or Officers. Intense national media attention. Public enquiry / intervention by external regulators. Requires resignation of Officers and Members Total loss of public confidence Fines of over £1,000,000
Implications for the Environment	Incident with no lasting / short term detrimental effect on the environment or the community. E.g. noise, fumes, dust	Medium term public health / environmental incident. Local discharge of pollutant or source of community annoyance requiring remedial action	Long term major public health / environmental incident	Extensive detrimental long term impact.
Impact on Key Partnership / Major Project	Minimal effect on partnership / project	Adverse effect on partnering arrangements / Major project Moderate impact on stress levels, morale and performance on teams rather than by individual case (i.e. not isolated)	Significant impact on partnership or most of expected benefits fail Significant impact on delivery of major project. Significant impact on morale and performance.	Complete failure / breakdown of partnership / major project Major / Severe impact on morale and service performance.

<u>LIKELIHOOD OF RISK</u>			
Factor	Score	Description	Likelihood of occurrence
Low (unlikely)	1	Very unlikely to occur; only in exceptional circumstances.	<ul style="list-style-type: none"> • Has not happened in the past 5 years or more (either in BGCBC or in a similar operating environment) • Not expected to happen in the next 5 years or more • Less than 25% probability of occurring
Medium (possible)	2	Unlikely to occur but could transpire at some point.	<ul style="list-style-type: none"> • Has happened in the past 2 – 5 years (either in BGCBC or in a similar operating environment) • Expected to happen in the next 2-5 years • 25% to 50% probability of occurring
High (likely)	3	Almost certain to occur.	<ul style="list-style-type: none"> • More than 50% probability of occurring. • Has happened in the past year (either in BGCBC or in a similar operating environment) • Expected to happen in the next year.

Direction of travel from	Definition
	Increasing Risk – the assessment of the risk is that it has worsened since the last quarter update.
	No change – The assessment of the risk is that there have been no significant changes in the level of risk since the last quarter update.
	Decreased risk – The assessment of the risk is that there has been an improvement since the last quarter update.

Forecasted Direction of travel	Definition
	Increasing Risk – It is anticipated that the level of risk will worsen by the next quarter update.
	No change – It is anticipated that there will be no significant changes in the level of risk by the quarter update
	Decreased risk – It is anticipated that risk is that it will improve by the next quarter update.

BRAG rating	Definition
	Completed
	On track
	Ongoing but encountering some issues
	Ongoing with issues that need further intervention

Agenda Item 12

Cabinet and Council only

Date signed off by the Monitoring Officer:

Date signed off by the Section 151 Officer:

Committee: **Governance & Audit Committee**

Date of Meeting: **1st December, 2023**

Report Subject: **Draft Statement of Accounts 2022/2023**

Portfolio Holder: **Councillor Steve Thomas, Leader / Cabinet Member
Corporate Overview and Performance**

Report Submitted by: **Rhian Hayden, Chief Officer, Resources**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	16/11/23		22/11/23					Statutory Returns; Financial Governance

1. Purpose of the Report

1.1 To present for information the 2022/2023 Draft Statement of Accounts and the Authority's financial standing as at 31 March 2023 (subject to Audit).

2. Scope and Background

2.1 The requirements for preparation, inspection, audit, approval and publication of Local Authority annual accounts are specified in the Public Audit (Wales) Act 2004 [the 2004 Act] and the Accounts and Audit (Wales) Regulations 2014 [the 2014 Regulations] as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

2.2 Section 25 of The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 specifies that the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting ("the Code") represents proper practice in preparing local authority accounts in compliance with section 8(1) of the 2014 Regulations.

2.3 Section 10A of the amended 2014 Regulations requires the following:

Requirement	Deadline
A provisional (i.e. pre-audit) Statement of Accounts to be fully prepared and certified by the Chief Officer - Resources as presenting a true and fair view of the Authority's financial position and its income and expenditure for the year ended 31 March 2023	31 May 2023
Publication of a final audited Statement of Accounts	31 July 2023

2.4 Without amending the statutory deadlines for the preparation, publication and audit of accounts for 2022/2023, Welsh Government agreed to the following extended timetable:

Requirement	Deadline
A provisional (i.e. pre-audit) Statement of Accounts to be fully prepared and certified by the Chief Officer - Resources as presenting a true and fair view of the Authority's financial position and its income and expenditure for the year ended 31 March 2023	31 August 2023
Publication of a final audited Statement of Accounts	31 December 2023

2.5 Where deadlines specified in the amended 2014 Regulations are not met, the Authority is required to publish the required statutory notice(s).

2.6 Section 11 of the 2014 Regulations and Section 29 of the 2004 Act require that the Accounts and other documents are made available for public inspection for 20 working days. The period of public inspection has been advertised and takes place from Friday 1 December 2023 to Friday 22 December 2023 and from Tuesday 2 January 2024 to Friday 5 January 2024.

2.7 The documents available for public inspection are specified by Section 30 of the 2004 Act and the security and control of this information is managed by senior staff within Accountancy during the period.

2.8 Section 31 of the 2004 Act provides for local electors to make objections to the External Auditor regarding any item of account that is contrary to law or any matter that could result in a report in the public interest. The Auditor General has confirmed that the date on or after which these rights can be exercised is Monday 8 January 2024.

2.9 Following the detailed examination by Audit Wales the Accounts will be re-presented to the Governance & Audit Committee for approval. Following approval at that meeting, the person presiding over the meeting (normally the Chair or Vice-Chair of the Committee) is required to sign and date the Accounts on behalf of the Council.

2.10 If the final statutory report presented by Audit Wales were to contain any material qualification issues, the audited Statement of Accounts may also need to be reported to Council.

3. Options for Recommendation

3.1 The Governance & Audit Committee receives the Draft 2022/2023 Statement of Accounts for information, prior to consideration for approval on completion of the financial audit.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**
- 4.1 The Statement of Accounts is prepared in accordance with relevant statutory and regulatory provisions, accounting codes of practice and accounting standards. It details the financial transactions of the Authority for the 2022/2023 financial year and the value of assets, liabilities and reserves at the balance sheet date (31 March 2023).
5. **Implications Against Each Option**
- 5.1 ***Impact on Budget (short and long term impact)***
- 5.1.1 Revenue Expenditure and Outturn (*note 5.1 on page 3 of the Draft Statement of Accounts*) reports Draft Net Outturn on Portfolios included in Management Accounts (excluding School Spending) as being £167.959m. This represents a provisional favourable variance of £1.228m compared to the revised budget for the year.
- 5.1.2 Further accounting adjustments are required to the Management Accounts position in order to comply with the Accounting Code. Detail of these adjustments can be found in the 'Expenditure and Funding Analysis' and notes on pages 35-38 of the Draft Accounts.
- 5.1.3 Application of these adjustments results in an accounting surplus of £1.885m which equals the net amount of transfers to and from earmarked reserves in accordance with accounting requirements and the Council's agreed protocol. The Council Fund General Reserve has been maintained at £13.067m (*note 13, page 11*).
- 5.1.4 Capital Expenditure on schemes for the year amounted to £47.849m (*note 6, page 5*), this being financed by Government Grants (£43.378m), Other Borrowing (£3.880m) and capital receipts/revenue contributions (£0.591m).
- 5.1.5 Where required by the Accounting Code and IAS 37 (*Provisions, contingent liabilities and contingent assets*), specific sums have been provided in relation to known liabilities. Total provisions held at 31 March 2023 amounted to £3.170m (*note 34.2 on page 82 of the Draft Accounts*), with the most significant provisions being in respect of Insurance (£2.505m) and Lease Dilapidation (£0.663m).

- 5.1.6 The level of usable reserves available to the Authority decreased by £24.347m in 2022/2023. A summary of the provisional strategic financial position of the Authority is given below:

Usable Reserves	31 March 2023	Increase/ (Decrease)	31 March 2023
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Council Fund	13,067	0	13,067
Earmarked Reserves	32,185	1,777	33,962
Usable Capital Reserves	40,027	(26,124)	13,903
Total Usable Reserves	85,279	24,347	60,932

- 5.1.7 It is prudent to maintain a level of reserves that is appropriate and adequate to meet the estimated internal and external financial risks faced by the Authority.
- 5.1.8 The provisional Council Fund balance of £13.067m at 31 March 2023 equates to 8.24% of net revenue expenditure, this provides a buffer to deal with unexpected future issues and restrictions or reductions in central government funding.
- 5.1.9 Significant elements of earmarked reserves held at 31 March 2023 relate to grant funding in respect of specific projects or services that will be utilised in delivering the relevant service outcomes during 2023/2024.

5.2 ***Risk including Mitigating Actions***

- 5.2.1 Achievement of the statutory requirements in relation to the annual accounts is important in terms of demonstrating that the Authority has the appropriate governance arrangements in place to manage the reporting of its strategic financial affairs. Failure may result in reputational damage for the Council. A planned approach is utilised to ensure that, as far as possible, statutory requirements are met.

5.3 ***Legal***

- 5.3.1 The requirements for preparation, inspection, audit, approval and publication of Local Authority annual accounts are specified in the Public Audit (Wales) Act 2004 [the 2004 Act] and the Accounts and Audit (Wales) Regulations 2014 [the 2014 Regulations] as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

5.4 **Human Resources**

5.4.1 There are no direct personnel/staffing implications arising out of this report.

5.5 **Health and Safety**

5.5.1 Not applicable.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

6.1.1 The Draft Statement of Accounts for 2022/2023 has been prepared in accordance with the relevant statutes, regulations, accounting codes and standards.

6.1.2 As the statutory deadline of 31 May 2023 was not met, the required notice was published on the Council's website outlining the reasons for the lack of certification at that time and the intended course of action to be taken to resolve this situation.

6.1.3 Another notice was published on 31 July 2023, as the Accounts were not completed and audited by that date.

6.1.4 The Draft Statement of Accounts for 2022/2023 was completed on 13 November 2023, after the extended Welsh Government deadline of 31 August, and were published on the Council's website.

6.1.5 Whilst the Council had initially intended to prepare its Draft Accounts in accordance with the statutory requirements (i.e. by 30 May 2023), this has been significantly delayed due to the following:

Completion of the 2021/2022 Accounts

6.1.5.1 The Council's Accounts for 2021/2022 were qualified due to the potential misstatement of depreciation charges and the net book value of assets, resulting from the absence of a systematic and regular review of the estimated useful life of assets. Resolution of this issue resulted in a significant delay in finalising the 2021/2022 accounts, with these being completed in October 2023. This had a consequential impact on the preparation of the 2022/2023 Accounts.

Asset Life and Valuation Information

6.1.5.2 In order to correct the potential misstatement of depreciation charges and the net book value of assets which had delayed the completion of the 2021/2022 Accounts, the Council has engaged the services of an external valuer to provide the asset life and valuation information for the 2022/2023

Accounts. The valuers were appointed in May 2023 and provided draft information in September, which delayed the preparation of the Draft Accounts for 2022/2023.

- 6.1.6 The delay in completing the Draft Accounts has impacted on the commencement of the statutory audit by Audit Wales. As a consequence, the extended deadline for completion of the 2022/2023 Accounts and audit (31 December 2023) will not be achieved.
- 6.1.7 The External Auditor has indicated that the audit will be substantially complete by March 2024.
- 6.1.8 The period of public inspection will take place from Friday 1 December 2023 to Friday 22 December 2023 and from Tuesday 2 January 2024 to Friday 5 January 2024. The date on or after which electors may exercise their rights to objections is Monday 8 January 2024.
- 6.1.9 If there are any matters to be reported to Members arising out of the above, then these will be reported separately. Any issues arising from the external audit of the Statement of Accounts or objections raised during the inspection period will be presented to the Governance & Audit Committee as part of the Auditor's formal Audit of Financial Statements.
- 6.1.10 Section 22 of the 2004 Act requires the External Auditor to consider whether a report should be made in the public interest for any matter arising during the course of the audit, including from objections made following public inspection.

6.2 ***Expected outcome for the public***

- 6.2.1 Preparation, publication and approval of statutory accounts helps demonstrate stewardship of the Authority's resources and its ability to provide services to the local community in the short and long term.

6.3 ***Involvement (consultation, engagement, participation)***

- 6.3.1 Not applicable.

6.4 ***Thinking for the Long term (forward planning)***

- 6.4.1 Preparation of statutory accounts helps demonstrate stewardship of the Authority's resources and its ability to provide services to the local community in the short and long term.

6.5 **Preventative focus**

6.5.1 Not applicable.

6.6 **Collaboration / partnership working**

6.6.1 Not applicable.

6.7 **Integration (across service areas)**

6.7.1 Not applicable.

6.8 **Decarbonisation and Reducing Carbon Emissions**

6.8.1 The Statement of Accounts is currently not required to include information relevant to decarbonisation and reduction of carbon emissions.

6.9 **Integrated Impact Assessment** *(All decisions, policy reviews or policy implementation will now require a completed Integrated Impact Assessment).*

6.9.1 An Integrated Impact Assessment has not been completed for the Statement of Accounts, which provides an objective and audited report of the Authority's transactions for the financial year and balance sheet position at the year-end. This information can be utilised in making decisions that might help to reduce the inequalities of outcome associated with socio-economic disadvantage.

7. **Monitoring Arrangements**

State how the work will be monitored e.g. through scrutiny or directorate performance management arrangements

7.1 The Council takes into consideration the provisional financial standing of the Authority as reported within the attached Draft Statement of Accounts for 2022/2023 when monitoring budgets for 2023/2024, setting a Revenue Budget for 2024/2025 and in developing future medium term spending plans.

Background Documents / Electronic Links

-

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2022/2023

Draft Statement of Accounts

November 2023



To commemorate the official opening of
the refurbished General Offices
by
Her Majesty The Queen
and
HRH The Duke of Edinburgh
During the Diamond Jubilee Tour of Wales
27th April 2012

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Cyngor Bwrdeistref Sirol
Blaenau Gwent
County Borough Council



Cover Photo: "The General Offices Stairway"

The General Office building on the site of the former steelworks, Ebbw Vale, is a grade II* listed building built in 1915-1916 for the Ebbw Vale Iron and Steel Company. Designed by leading Cardiff architects Veall & Sant in the free dutch/baroque style, the high specification reflects the great prosperity associated with the steelworks in the Edwardian period.

The building has undergone a substantial refurbishment to become a visitor attraction showcasing the Valleys. Included in the development is the construction of a purpose built extension to house the Gwent Record Office, which relocated to the premises in October 2011.

The General Offices were officially opened by Her Majesty Queen Elizabeth II and His Royal Highness The Duke of Edinburgh during the Diamond Jubilee Tour of Wales in 2012.



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

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Abbreviations and Terms Used

Byrfoddau a Thermau a Ddefnyddir



Cyngor Bwrdeistref Sirol

Blaenau Gwent

County Borough Council

Abbreviations and Terms Used in the Statement of Accounts

AEF	Aggregate External Finance	GMIRS	Group Movement in Reserves Statement
ALT	Aneurin Leisure Trust	GMP	Guaranteed Minimum Pension
AW	Audit Wales	GTU	Gwent Transport Unit
BS	Balance Sheet	GWICES	Gwent Wide Integrated Community Equipment Service
CARE	Career Average Revalued Earnings	HMRC	Her/His Majesty's Revenue & Customs
CBC	County Borough Council	HMT	Her/His Majesty's Treasury
CC	City or County Council	HRA	Housing Revenue Account
CCP	Collaborative Change Programme	IAS	International Accounting Standard
CCRCD	Cardiff City Region City Deal	ICT	Information and Communications Technology
CDS	Credit Default Swap	IFRS	International Financial Reporting Standard
CIES	Comprehensive Income and Expenditure Statement	IPSAS	International Public Sector Accounting Standard
CIPFA	Chartered Institute of Public Finance and Accountancy	ISB	Individual Schools Budget
CPFA	Chartered Public Finance Accountant	LASAAC	Local Authority (Scotland) Accounts Advisory Committee
CPI	Consumer Price Index	LGPS	Local Government Pension Scheme
DRC	Depreciated Replacement Cost	LLP	Limited Liability Partnership
EAS	Education Achievement Service (for South-East Wales)	LMS	Local Management of Schools
EEA	European Economic Area	LOBO	Lender's Option Borrower's Option
EFA	Expenditure and Funding Analysis	MiRS	Movement in Reserves Statement
EFTA	European Free Trade Association	MMI	Municipal Mutual Insurance
EU	European Union	MRICS	Member of the Royal Institution of Chartered Surveyors
EUV	Existing Use Value	MRP	Minimum Revenue Provision
FRS	Financial Reporting Standard	MTFS	Medium Term Financial Strategy
FSS	Funding Strategy Statement	NHS	National Health Service
FTSE	Financial Times Stock Exchange	NNDR	National Non-Domestic Rates
GBS	Group Balance Sheet	NPV	Net Present Value
GCIES	Group Comprehensive Income and Expenditure Statement	NRW	Natural Resources Wales
GGCJC	Greater Gwent Cremation Joint Committee	PPE	Property, Plant and Equipment
GJRC	Gwent Joint Records Committee	PWLB	Public Works Loan Board

Abbreviations and Terms Used in the Statement of Accounts

REFCUS	Revenue Expenditure Funded from Capital Under Statute
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Price Index
RSG	Revenue Support Grant
SCR	Standard Contribution Rate
SeRCoP	Service Reporting Code of Practice
SEWSPG	South East Wales Planning Group
SPA	State Pension Age
SRS	Shared Resource Services
STCA	Short-Term (Accumulating) Compensated Absences
STRGL	Statement of Total Recognised Gains and Losses
SVWS Ltd.	Silent Valley Waste Services Ltd
TPS	Teachers Pension Scheme (<i>also</i> : uTPS)
UK GAAP	United Kingdom Generally Accepted Accounting Principles (and/or Practices)
UKGN	United Kingdom Guidance Notes (RICS)
UKVS	United Kingdom Valuation Standards (RICS)
uTPS	Unfunded Teachers Pension Scheme (<i>also</i> : TPS)
VAT	Value Added Tax
WAO	Wales Audit Office
WG	Welsh Government
WRAP	Waste & Resources Action Programme
WTO	World Trade Organisation



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1. Introduction

The purpose of this Narrative Report is to offer a guide to the economic context in which the Authority operates, provide an overview of the most significant matters affecting the Accounts, outline the changes in accounting policies applied in preparing the Accounts and explain the Authority's overall financial position.

The financial statements cover the period 1 April 2022 to 31 March 2023 and have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Amounts in these Accounts have been rounded and presented to the nearest thousand Pound (£000), except where disclosure to the nearest Pound is required to aid in presentation and understanding.

2. Background - Impact of Current Economic Climate on the Authority and the Services it Provides

The overall Welsh Government (WG) Revenue settlement for 2022/2023 was positive with an increase in Aggregate External Finance of 8.4% (£10.4m), after allowing for specific grants transferring into the settlement. This positive settlement allowed the Council to set a balanced budget whilst addressing cost pressures and growth items of £4m, uplift school budgets by £3.9m (8.4%) and increase the general reserve by £0.2m to support medium term financial planning and financial resilience. In recognising the impact the cost of living crisis is having on residents, the Council agreed there would be no increase to Council Tax for 2022/2023.

Whilst the Revenue Settlement for 2023/2024 was once again positive with an increase in Aggregate External Finance of 6.5% (£8.5m), the impact of inflation combined with soaring energy prices and increased pay costs was significant and resulted in a budget gap of £6.7m. The Council approved £3m of budget cuts and efficiencies, having considered proposals totalling £4.26m. A 4% uplift to schools budgets was approved and the budget was balanced by an increase in Council Tax of 3.45% and the application of £4.26m from specific reserves.

The economic situation remains a major concern as the cost of living crisis continues into 2023. Inflation, whilst slowly reducing, remains high; pay settlements are higher than anticipated; and utility costs have increased significantly. These factors continue to put pressure on budgets over the short to medium term. The Council faces a significant financial challenge over the next 5 years, with the Medium Term Financial Strategy indicating a funding gap of £34m based on indicative Welsh Government Settlements.

In recognition of the cost of supporting Ukrainian refugees and the impact on communities of the cost of living crisis, during 2022/2023 the Welsh Government provided funding through a number of grant schemes including the continuation of free school meals direct payments through school holidays, winter fuel support, cost of living payments and the Ukraine resettlement programme.

The funding received during 2022/2023 is as follows:

Welsh Government Funding	2022/2023 £000
Free School Meals	664
Administration Grants	242
Total	906

Further details of these schemes can be found in the Grants disclosure (*note 21, pages 52-53*).

The Council also acted as an agent for Welsh Government in processing £11.8m of support payments and reliefs across the following schemes:

Funding Administered on Behalf of Welsh Government	2022/2023 £000
Self Isolation Payments	1,051
SSP Enhancement Payments	91
Care Workers Payments	2,903
Cost of Living Scheme	4,440
Retail, Leisure and Hospitality Rate Relief	530
Ukraine	108
Unpaid Carers	712
Winter Fuel Payments	1,973
Total	11,808

Further details of these arrangements can be found in the Agency Income & Expenditure disclosure (*note 11, page 43*).

3. Background - Significant Events

Prior to the completion of the Accounts, the following significant events occurred that have had an impact on the financial statements themselves or the environment in which the Authority operates:

3.1 Annual Governance Statement

In the Annual Governance Statement, the Audit & Risk Manager has concluded that Blaenau Gwent County Borough Council's system of internal control during the financial year 2022/2023 operated to a level which gives reasonable assurance on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

3.2 Silent Valley Waste Services Ltd.

In December 2017, the Council made the decision to bring back in-house the services delivered by Silent Valley Waste Services Limited. Following extensive due diligence the transfer process commenced with a target date of 31 January 2023. Due to a delay in obtaining the required environmental and operational permits, the Company's employees and activities could not be transferred to the Council until 1 May 2023. On that date the Company ceased trading and the Council assumed responsibility for all of the Company's assets and liabilities.

The Council's single entity accounts reflect any balances and transactions with Silent Valley Waste Services Ltd. to 31 March 2023. The Group Accounts have been prepared using the Accounts prepared by Silent Valley Waste Services Ltd. to 30 June 2023.

3.3 Ebbw Valley Railway Infrastructure Loan

In March 2021 the Council agreed to accept a £70million interest free loan from Welsh Government to progress infrastructure works on the Ebbw Valley Railway project. The acceptance of the loan was subject to the development and acceptance of a quadripartite agreement between Blaenau Gwent Council, Welsh Government, Transport for Wales and Transport for Wales (Rail). This agreement was signed by all parties by September 2021, with the loan to be repaid over a 50-year period after the scheduled conclusion of the infrastructure works in 2023/2024. In order to meet the loan repayments the Council will receive a guaranteed sum on an annual basis, generated from the projected increase in income resulting from increased train frequency.

3.4 Material Events After the Reporting Date

There were no material adjusting or non-adjusting post-balance sheet events.

4. Summary of Outturn

4.1 Revenue

Overall, the management accounts have reported an underspend of £0.188m against a revised budget of £169.187m, after a net transfer from specific reserves of £1.040m. The underspend is mainly due to a number of cross cutting budgets not being utilised during the financial year and an underspend against the Council Tax Reduction Scheme.

A number of budget pressures were identified during the year and these have been managed within the overall budget, with ongoing cost pressures being built into the budget for 2023/2024.

Further details can be found in the Provisional Outturn report to Cabinet in July 2023.

4.2 Capital

Capital expenditure has increased in the last financial year, with provisional outturn expenditure in 2022/2023 being £32m higher than the previous financial year. The outturn expenditure of £47.849m covered a range of projects, including Business and Industrial Units, the Highways Network, Schools and the Railway Infrastructure Project.

The provisional outturn position forecasts an underspend of £0.33m against the in-year budget, mainly due to underspends on Coal Tip Safety, Bus Stop Infrastructure and the Childcare Offer (Small Grants Scheme).

Welsh Government general capital funding in future years is forecast to be lower than current levels.

4.3 Reserves

Total General and Earmarked Reserve balances decreased by £24.3m during 2022/2023, as a result of the application of £26.851m of previously unapplied capital grant, to fund expenditure on the Railway Infrastructure project.

5. Revenue Expenditure Outturn and Funding

5.1 2022/2023 Outturn

The following table reconciles the net service expenditure reported on a statutory basis in the Comprehensive Income & Expenditure Statement (*page 18*) with net outturn as reported to management during the year. The Expenditure and Funding Analysis (*page 36*) together with the accompanying notes provide details of the adjustments that have been made in reconciling between the statutory and management accounts. The table also indicates the Authority's net service expenditure (as reported to management) compared with the budget for the year.

Service Expenditure Compared to Budget	2022/2023					
	CIES Net Expenditure £000	Accounting Code Adjustments £000	Funding and Accounting Basis Adjustments £000	Net Outturn - Management Accounts £000	Revised Budget £000	Variance: Adverse/ (Favourable) £000
Portfolio/Committee:						
Corporate Services	27,065	(8,465)	(2,391)	16,209	17,918	(1,709)
Education *	14,574	55,261	(1,572)	68,263	68,305	(42)
Environment	22,101	10,640	(2,381)	30,360	29,632	728
Regeneration & Economic Development	1,465	531	(368)	1,628	1,815	(187)
Social Services	51,697	2,225	(3,740)	50,182	49,941	241
Licensing	146	9	(27)	128	135	(7)
Planning	1,009	326	(146)	1,189	1,441	(252)
Sub-Total:	118,057	60,527	(10,625)	167,959	169,187	(1,228)
Education - School Spending **	51,230	(55,943)	(107)	(4,820)	0	(4,820)
Cardiff Capital Region City Deal ***	0	0	0	0	0	0
Total:	169,287	4,584	(10,732)	163,139	169,187	(6,048)

*: *Education* refers to centralised education functions and non-school transactions.

** : *Education - School Spending* refers to financial transactions related specifically to school establishments.

***: *Cardiff Capital Region City Deal* refers to the Authority's contributions to revenue and capital costs, as apportioned in accordance with the terms of the joint arrangement.

5.2 Impact of Inflation on Revenue Expenditure

Consumer price inflation at March 2023 was 10.1%, having increased during the year from 7% at April 2022 and peaking at its highest rate since 1981 of 11.1% in October 2022. The increase was driven primarily by higher energy costs, fuel prices and global goods inflation. It is expected that inflation will gradually reduce during 2023/2024, and return to the 2% target set by the Bank of England.

The impact of inflationary pressures on the Authority varies according to specific areas of spend. Much of the Authority's expenditure relates to employee costs with a 1% increase in employee costs equating to approximately £1m. However, staff shortages, particularly in the Social Care Sector, coupled with increases in the cost of living, could see wage increases much higher than previously expected, adding to the pressure on local government budgets.

As part of the Bank of England's continued response to increasing inflation, the Monetary Policy Committee has increased the Bank Rate during the year from 0.75% to 4.25% in March 2023. It raised them further to 5.25% by August 2023.

The Monetary Policy Committee continues to review rates in line with their assessment of the economic outlook and may apply further interest rate increases in order to control inflation and bring it down to the 2% target level.

Overall, increases in prices at which the Authority procures goods and services (in excess of related income from fees and charges or general government grants) will have a detrimental impact on a wide range of services.

5.3 Funding Sources

Welsh Government provides the majority of the Authority's funding, through Revenue Support Grant, Specific & Unhypothecated Grants and Non-Domestic Rates (72% of funding in 2022/2023).

For 2022/2023, Aggregate External Financing (adjusted for transfers) increased by 8.4% compared with 2021/2022, lower than the average Welsh Unitary Authority increase of 9.4% (*source: Local Government Finance Report (No.1) 2022-23 (Final Settlement - Councils) - Table 1a.*)

For 2023/2024, Aggregate External Financing (adjusted for transfers) increased by 6.5% compared with 2022/2023, lower than the average Welsh Unitary Authority increase of 7.9% (*source: Local Government Finance Report (No.1) 2023-24 (Final Settlement - Councils) - Table 1a.*)

The Welsh Government provisional settlement for 2023/2024 stated that the Indicative Wales level core revenue funding allocation for 2024/2025 will increase by £169m (an average increase of 3.1%).

A 1% increase in RSG compared to 2021/2022 levels represents additional funding of £1.2m, which equates to 0.36% of the Authority's total funding. In real terms this increase is reduced by the impact of inflation.

The level of investment income available to the Authority has been increased as a result of higher rates of interest, but this has been offset to some extent by the increase in interest expenses on borrowing.

In summary, the combination of rising interest rates, controlled grant funding and the uncertainties caused by rising prices create an environment in which there is continued pressure to maintain control of costs.

6. Capital Expenditure Outturn and Funding

Capital Expenditure

In year, total capital expenditure amounted to £47.849m, an increase of £32.588m compared to the previous year, largely due to expenditure of £3m on Schools Band B projects and £29m on the Ebbw Valley Railway.

The major items of expenditure, categorised by scheme type, are identified in the table (below).

Capital Expenditure by Scheme	2022/2023		2021/2022	
	£000	£000	£000	£000
Rail Infrastructure Programme	28,967		3,709	
Schools & Education Establishments	5,955		2,612	
Industrial Units	2,825		620	
Regeneration Schemes	2,222		2,922	
Road Network & Maintenance Schemes	1,806		2,590	
Flying Start Schemes	1,524		485	
Social Services Adults	1,131		529	
Social Services Children	1,004		0	
Housing General	849		541	
Corporate Property	843		95	
Waste Management	482		924	
Leisure Schemes	152		32	
Town Centre Regeneration	68		158	
Other	21		44	
Total:		47,849		15,261

Further details of capital expenditure are contained in Core Statement notes 25.2 - 25.3 (pages 62-64) and 25.5 (page 67).

Financing of Capital Expenditure

Capital expenditure totalling £47.849m was financed by local authority borrowing (£3.88m), grants (£43.378m), capital receipts (£0.123m) and revenue contributions (£0.468m).

7. Contingencies, Provisions and Reserves

7.1 Contingencies

A number of contingent liabilities are disclosed in relation to issues where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority, where it is not probable that an outflow of resources will be required or where the amount of the obligation cannot be measured reliably. For 2022/2023, disclosures cover:

- The Municipal Mutual Insurance run-off claims and liability under the Scheme of Arrangement;
- Warranties and indemnities to Tai Calon arising from the transfer of housing stock;
- Part 1 compensation claims arising from public works projects;
- Guarantees to the Greater Gwent (Torfaen) Pension Fund in the event that pension liabilities are not settled by Aneurin Leisure Trust;
- A Deed of Priority arrangement in relation to the development of land in Brynmawr; and
- Potential liabilities that may arise following decisions of the courts in relation to specific past actions of the Authority.

No contingent assets have been identified.

It is not possible to place a value on these contingent liabilities, which may or may not crystallize at a point in the future. In the event of these issues and the sums involved becoming more certain, the appropriate accounting treatment will be applied and relevant charges made to the accounting statements.

Further details of contingent liabilities can be found in note 35.3 (pages 82-83).

7.2 Provisions

The level of provisions held by the Authority varies each year in relation to the level of liabilities identified. Total provisions held by the Authority at the beginning of the year amounted to £2.987m, increasing by £0.183m to £3.170m during 2022/2023. This was largely due to increased liabilities identified in relation to lease dilapidations and reductions in sums held for insurance.

All provisions have been assessed to reflect payments made against them during the financial year and have been increased or decreased in line with anticipated outstanding liabilities.

Details of the movements of individual provisions are shown in note 35.2 to the Core Statements (*see pages 81-82*).

7.3 Reserves

In their 2017/2018 Annual Audit Letter to Blaenau Gwent County Borough Council, the Wales Audit Office noted that the level of General and Earmarked Reserves as a percentage of gross revenue expenditure was 4.63%, the lowest of any Welsh Authority and significantly below the 2017/2018 Welsh average of 11.44%. The Authority accepted the need to maintain an appropriate level of reserves and agreed a planned annual contribution to the General Reserve as part of its Medium Term financial Strategy.

To the end of 2021/2022 these measures had resulted in an improvement in the level of general and earmarked reserves held by the Council, increasing to 30.2% as a percentage of net revenue expenditure. This was the ninth lowest in Wales in comparison with other Welsh Authorities.

Aggregate Usable Reserves - 2019/2020 to 2022/2023	2019/2020	2020/2021	2021/2022	2022/2023
	£000	£000	£000	£000
Council Fund	(6,399)	(7,553)	(13,067)	(13,067)
Earmarked Reserves	(8,275)	(20,781)	(32,185)	(33,962)
Usable Capital Reserves	(7,349)	(39,493)	(40,027)	(13,903)
Total Usable Reserves	(22,023)	(67,827)	(85,279)	(60,932)

Between 2019/2020 and 2022/2023 the Council Fund General Reserve has increased by 104.2%, from £6.399m to £13.067m. This increase has been due to:

- the management of the reserve in accordance with the Authority's policy of maintaining General Reserves at a target level of 4% of Revenue Outturn Expenditure;
- the agreement to replenish the reserve by annual contributions; and
- budget underspends as a result of additional Welsh Government grants.

Aggregate Usable Reserves increased by £63.3m between 2019/2020 and 2021/2022, and decreased by £24.3m 2022/2023.

Aggregate Usable Reserves - year on year movement	2021/2022	2022/2023	Increase	
	£000	£000	£000	%
Council Fund	(13,067)	(13,067)	0	0.00
Earmarked Reserves	(32,185)	(33,962)	(1,777)	5.52
Usable Capital Reserves	(40,027)	(13,903)	26,124	-65.27
Total Usable Reserves	(85,279)	(60,932)	24,347	(59.74)

As indicated in the table above, a significant element of total usable reserves relates to Usable Capital Reserves, which is the result of the required accounting treatment of the loan received for the Ebbw Valley Railway Project (£26.851m in 2021/2022, decreasing to £0 in 2022/2023). For additional details see page 7.

The increase of £1.777m in the Council Fund and Earmarked Reserves is a result of a number of factors, including:

- receipt of additional specific grants; and
- service underspends against budget and implementation of 'Bridging the Gap' proposals.

Significant elements of these earmarked sums relate to grant funding held in respect of specific projects or services and these will be utilised in delivering the relevant service outcomes. In addition, the Authority has set aside substantial amounts to assist with the ongoing response to Covid-19 and the transformation and delivery of services post-pandemic. In future years, it is probable that there will be restrictions on public spending in order to mitigate the extraordinary levels of borrowing incurred by Central Government in dealing with Covid-19. It would therefore be prudent to retain appropriate levels of earmarked and general reserves to assist with a funding situation potentially similar to that experienced under the austerity measures of the last decade.

Establishment, retention and use of earmarked reserves are subject to review during the year in accordance with the Authority's risk-assessment based Reserves Management Protocol.

Impact of Pension Deficit on Reserves

The Authority holds total usable reserves of £60.932m at 31 March 2023 (£85.279m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.858m to the Authority's usable reserves would be a deficit of £13.926m (2021/2022: the superannuation deficit of £293.580m exceeded usable reserves by £208.301m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

Further details on Pension balances and transactions can be found in notes 39-40 (*pages 88-97*).

Movements on usable reserves are detailed in note 41 to the Core Statements (pages 97-101). Total usable reserves at the commencement of the year amounted to £85.279m, decreasing by £24.347m to £60.932m at 31 March 2023.

The most significant net contributions to/from usable reserves were:

Summary Reserves Movements	2022/2023		2021/2022	
	£000	£000	£000	£000
Balance at 1 April		(85,279)		(67,827)
Significant net contributions (to)/from earmarked reserves:				
Financial Planning/ Resilience	(1,500)		Capital Inflation & Service Cost Pressure	(1,000)
Future Interest Rate	(853)		COVID19 Response & Recovery	473
Inflation & Service Cost Pressure	450		Financial Planning/ Resilience	(1,054)
Insurance Liabilities	(318)		Future Interest Rate	(400)
Invest to Save	(395)		Inflation & Service Cost Pressure	(1,361)
LMS	1,424		Invest to Save	(1,000)
Rail Loan Interest	(866)		LMS	(2,533)
Revenue Grants & Contributions Unapplied	(502)		New Operating Model	(492)
Reserves Related to Portfolio Services	621		Revenue Grants & Contributions Unapplied	(1)
Strategic Business Reviews	168		Reserves Related to Portfolio Services	(2,417)
Supporting Additional Capacity	292		Supporting Additional Capacity	(369)
		(1,479)		(10,154)
Significant net contributions (to)/from other usable reserves:			Significant net contributions (to)/from other usable reserves:	
Usable Capital Receipts	(404)		Usable Capital Receipts	(549)
Capital Grants Unapplied	26,528		Capital Grants Unapplied	15 *
Other net contributions (to)/from usable reserves	(298)		Other net contributions (to)/from usable reserves	(6,764)
		25,826		(7,298)
Balance at 31 March		(60,932)		(85,279)
Capital Grant Unapplied Relating to Railway Project		0		(26,851)
Balance of Reserves Excluding CGU Relating to Railway Project Loan		(60,932)		(58,428)

*: The Ebbw Valley Railway Project loan is to be repaid over a period of 50 years after completion (expected from 2024/2025) and has therefore been discounted to its current (fair) value in the statutory accounts. The Authority is required to account for the difference between the current value and the actual loan amount as capital grant unapplied.

In 2022/2023, expenditure of £28.967m was incurred on the Railway Project, of which £26.851m was funded by application of Capital Grant Unapplied. At 31 March 2023, none of the £5.3m balance of Capital Grants Unapplied relates to the Railway Project Loan.

8. Treasury Management Activities

In March 2022, the Authority approved the Treasury Strategy Statement, Annual Investment Strategy and MRP Policy Statement for the 2022/2023 financial year. In November 2021, the Authority approved a revision to the MRP Policy. The prime objectives of these policies were firstly to ensure the security of capital and secondly to maximise the liquidity of investments. In doing so, the policies sought to minimise the revenue costs of debt whilst maintaining a prudent level of debt redemption.

All borrowing and investing activities have been conducted within the framework set out in the Treasury Strategy. In particular the Authority has adopted a low risk strategy in order to give priority to the security of its investments.

Borrowing Activities

Total external loan debt at 31 March 2023 amounted to £190.021m (31 March 2022: £200.606m). Following the continued increases in the Bank of England base rate, new long-term borrowing has been kept to a minimum to avoid committing the Council to higher interest payments in future years. Further opportunities to raise long term loans will be explored when interest rates reduce from their current high levels.

In March 2021 the Authority received a £70m interest free loan from the Welsh Government in relation to the Ebbw Valley Railway Infrastructure Project. This loan has been classified as non-current (long-term) borrowing to be repaid over a 50 year period commencing on completion of the project (expected to be from 2024/2025). The loan was discounted to its fair value in 2020/2021 and the sum in excess of the fair value was included as capital grant unapplied as required by the Accounting Code of Practice.

Transactions relating to external loan debt during the year were as follows:

	2022/2023			2021/2022		
	Temporary Loans £000	Other Loans £000	Total £000	Temporary Loans £000	Other Loans £000	Total £000
Balance at 1 April	(62,367)	(138,239)	(200,606)	(65,317)	(142,565)	(207,882)
Loans Raised	(56,000)	(14,578)	(70,578)	(73,050)	(825)	(73,875)
Loans Repaid	70,398	10,920	81,318	76,000	5,918	81,918
Effective Interest Adjustment	0	(48)	(48)	0	(46)	(46)
Soft Loan Adjustment	0	(111)	(111)	0	(721)	(721)
Balance at 31 March	(47,969)	(142,056)	(190,025)	(62,367)	(138,239)	(200,606)

Investing Activities

During the year, transactions related to investments were as follows:

Investments	2022/2023 £000	2021/2022 £000
Balance at 1 April	100,000	83,000
Investments Made	460,500	895,200
Investments Repaid	(494,500)	(878,200)
Balance at 31 March	66,000	100,000

The balance of investments held at year-end can be analysed as follows:

Analysis of Investments	31 March 2023 £000	31 March 2022 £000
Temporary Investments - Cash	10,000	2,000
Temporary Investments - Deposits	56,000	77,000
Short-Term Investments	12,065	21,000
Total	78,065	100,000

Minimum Revenue Provision

The 2003 Capital Finance Regulations require amounts to be set aside from revenue for the repayment of external loans. This is known as the Minimum Revenue Provision (MRP) and in 2022/2023 the sum of £1.744m (2021/2022: £1.057m) has been set aside by the Authority based on statutory guidance, as disclosed in note 1.17 (page 30).

In November 2021, the Authority approved a revision to the MRP Policy, which reduces the expected MRP charge from 2022/2023 onwards. Under the previous policy the MRP charge for 2022/2023 was forecast to be £4.47m.

Interest on external loan debt of £3.751m has been charged to the Comprehensive Income & Expenditure Statement in 2022/2023 (2021/2022: £3.550m).

9. Pension Assets and Liabilities

The value of pension assets and liabilities disclosed in the accounting statements is:

Pension Assets and Liabilities	31 March 2023	31 March 2022
	£000	£000
Assets	456,819	465,432
Liabilities	(531,677)	(759,012)
Net Liabilities	(74,858)	(293,580)

All Pension Assets held relate to the Greater Gwent Local Government Scheme. Total liabilities at 31 March 2023 include £25.715m related to the Teachers Pension Fund (31 March 2022: £32.585m), with the remainder being in respect of liabilities held with the Local Government Scheme.

10. Movement in Valuation of Non-Current Assets

During 2022/2023, the net cost or valuation of non-current assets (Property, Plant & Equipment) recorded on the Authority's Balance Sheet showed an increase of £54.7m, from £298.4m to £353.1m.

This movement was largely the result of £39.8m expenditure on Assets Under Construction (including £29m on the Ebbw Valley Railway Project) a further £4.6m of additions or enhancements to existing assets and revaluations of £17m, as summarised below:

Movement in Property, Plant & Equipment Assets	2022/2023	2021/2022
	£000	£000
Balance at 31 March	298,382	282,897
Adjustments to Balances Brought Forward	0	(458)
Adjusted Balance at 1 April	298,382	282,439
Net Expenditure on Assets Under Construction	39,830	7,577
Additions/Enhancements	4,645	4,842
Reclassified as Held for Sale	(105)	0
Disposals	(115)	(1,696)
Revaluations	17,077	4,727
Depreciation Written Back on Revaluation	3,797	8,930
In-Year Depreciation & Impairment	(10,369)	(8,437)
Balance at 31 March 2022	353,142	298,382

Note 25 (pages 62-64) provides further detail of the additions, disposals, appropriations, depreciation and revaluation that comprise the overall net increase in value during the year.

11. Significant Changes in Accounting Policies

11.1 CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023

The 2022/2023 Accounting Code of Practice includes the following new or revised accounting standards, none of which has impacted on the preparation of the Authority's Accounts:

- Annual Improvements to IFRS Standards 2018-2020:*

 - IFRS 1 First-time Adoption of International Financial Reporting Standards - amendments to subsidiary as a first-time adopter. No anticipated impact on the Authority's accounts.
 - IFRS 9 Financial Instruments - amendment to fees in the 10% test for derecognition of financial liabilities. No anticipated impact on the Authority's accounts.
 - IFRS 16 Leases - amendment to lease incentives. No anticipated impact on the Authority's accounts.
- IAS 16 Property, Plant and Equipment* - Amendments to the treatment of amounts received from the sale of items produced while preparing an asset for its intended use. No significant impact anticipated on the Authority's Accounts.

IFRS 3 Business Combinations – Amendments to the definition of a business.

12. Main Financial Statements

The Code interprets the requirements of IAS1 *Presentation of Financial Statements* for the local government context and requires the following main financial statements to be included:

12.1 The Comprehensive Income and Expenditure Statement (CIES) (Pages 18-19)

The Income and Expenditure Account and Statement of Total Recognised Gains and Losses (STRGL) required by UK GAAP have been combined into one statement that records the full accounting cost of providing services during the financial year.

12.2 The Movement in Reserves Statement (MiRS) (Pages 20-21)

Equivalent to the IAS1 Statement of Changes in Equity, this records the movement in the year on the different reserves held by the Authority, analysed into usable (those that can be used to fund expenditure or reduce local taxation) and unusable reserves (those that typically arise from timing differences between the identification of liabilities and the funding or settlement of those liabilities, which could be over a long period). Whilst increases in usable reserves represent additional sums that can be utilised in the short term to provide funding for services, increases in unusable reserves represent an increasing burden on future taxpayers. In some cases, e.g. the Unequal Pay Back Pay Account, charges related to unusable reserves may arise within a relatively short period of time (2-3 years).

The MiRS includes adjustments that remove accounting entries made in accordance with proper accounting practice in order that the Council Taxpayer is charged only with amounts required by statute and regulations.

12.3 The Balance Sheet (Page 22)

Derived from the IAS1 requirement for a Statement of Financial Position, the Balance Sheet sets out the assets and liabilities of the Authority, and the usable and unusable reserves and balances that underlie those net assets. Much of the detail is presented within notes to the Balance Sheet, rather than in the Statement itself.

12.4 The Cash Flow Statement (Page 23)

The Cash Flow Statement summarises the cash and cash equivalents arising from transactions with third parties for revenue and capital purposes during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

13. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The following table summarises the transactions recorded in the EFA for 2022/2023 - more detail is included in the full EFA on page 36.

Expenditure & Funding Analysis - Summary	2022/2023					2021/2022				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding and Accounting Basis Adjustments	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
(Surplus)/Deficit on the Provision of Services	163,139	6,771	169,910	18,403	188,313	145,601	(162,541)	(16,940)	12,270	(4,670)
Tax Expenses			(7)					22		
Transfers to/(from) earmarked reserves			1,885					11,404		
(Increase)/Decrease in year			171,788					(5,514)		
Opening council Fund Balance as at 1 April			(13,067)					(7,553)		
Closing Council Fund Balance as at 31 March			158,721					(13,067)		

14. Group Accounts

In May 2012, the Authority amended the structure and membership of the Board of Directors of Silent Valley Waste Services Limited, a wholly-owned subsidiary, in order to control the activities of the company. As a result of a change in these governance arrangements, the Authority is required to prepare Group Accounting Statements, consolidating the Accounts of the parent (Blaenau Gwent County Borough Council) and the subsidiary (Silent Valley Waste Services Ltd.).

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

Group Accounts have been prepared in compliance with the Accounting Policies set out on pages 24-32 and 117-118 and are included in the Statement of Accounts on pages 113-132.

15. Future Developments

15.1 Budget-Setting Process

The Council recognises the challenges that it faces in the short, medium and long terms and has developed a programme of Strategic Business Reviews to deal with potential gaps between anticipated funding and expenditure that aims to build financial resilience. Based on strategic themes the 'Bridging the Gap' programme aims to identify savings opportunities, potential cost avoidance and new revenue streams. Designed to support a balanced budget it is also focussed on creating the conditions of a commercially-minded council.

15.2 Cardiff Capital Region City Deal (CCRC)

The Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified on 1 March 2017. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a small number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

All ten Councils agreed the Joint Working Agreement Business Plan in 2018, which provides detail on the key themes or workstreams for future investment activity. The CCRC Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed by both UK and Welsh Governments); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro

plus" transport proposals. This element will be the responsibility of the CCRC Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region, which would be best managed via a Corporate Joint Committee. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues have delayed the process of full delivery by the CJC, but these are expected to be resolved during the 2022/2023 financial year.

15.3 Impact of the United Kingdom's Exit From the European Union

On 31 January 2020 the United Kingdom formally left the European Union and entered into a transition period that ended on 31 December 2020. During and subsequent to the period of transition there have been no significant changes to the legal and financial environment in which the Authority operates and there has therefore been no direct material impact on the transactions and balances reported for the 2022/2023 financial year. There are still a range of areas across which exit from the EU has the potential to have a significant impact on the Authority in future years, including:

Replacement of European Structural and Other Transnational European Funding Streams;

Blaenau Gwent has continued to receive funding from various EU structural and other transnational European funding schemes. To some extent these funding streams will be replaced by the UK Community Renewal Fund and the UK Shared Prosperity Fund, but there remains uncertainty regarding the level and duration of this funding. The Authority will need to consider these issues when determining its future Revenue and Capital budgets.

The Shared Prosperity Fund (UKSPF) is the UK Government replacement for European funding (European Structural Investment Fund ESIF) following the withdrawal of the UK from the European Union in 2020. It is a key part of the UK's Levelling Up agenda, forming part of complementary funding, including the Levelling Up Fund and Community Ownership Fund. The primary aim of the fund is to build pride in place and increase life chances across the UK. Underpinning this aim are three investment priorities: communities and place; supporting local businesses; and people and skills. Rhondda Cynon Taff County Borough Council will act as lead Local Authority for the Cardiff Capital Region. Blaenau Gwent has been allocated £28m, which is allocated over three years starting 1 April 2022.

16. Conclusion

The production of the IFRS-compliant annual Statement of Accounts continues to provide a considerable challenge. The Council's Accounts for 2021/2022 have been qualified due to the potential misstatement of depreciation charges and the net book value of assets, resulting from the absence of a systematic and regular review of the estimated useful life of assets. Identification of this issue and its subsequent resolution resulted in a significant delay in finalising the 2021/2022 accounts and subsequently those for 2022/2023.

In presenting this Statement of Accounts I am grateful to the Resources Team for their planning, professionalism, and unstinting commitment in order to produce a high quality publication. In addition, collaboration across departments remains essential in the production of this document and the support and assistance from colleagues in other departments requires recognition and thanks.



R Hayden, CPFA
Chief Officer - Resources





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Blaenau Gwent

County Borough Council



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Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Officer - Resources.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

The Responsibilities of the Chief Officer - Resources

The Chief Officer - Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts, the Chief Officer - Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Local Authority Code.

The Chief Officer - Resources has also:

- Kept proper accounting records which were up to date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certification of Accounts

In my opinion the Statement of Accounts gives a true and fair view of the financial position of Blaenau Gwent County Borough Council and the Blaenau Gwent County Borough Council Group as at 31 March 2023, and of their expenditure and income for the year then ended

Chief Officer - Resources

22 November 2023

Date



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Blaenau Gwent

County Borough Council

Draft - Subject to Audit

Draft - Subject to Audit

Draft - Subject to Audit

...the Statement of Accounts comprise the financial statements and the notes to the accounts, including the summary of significant accounting policies...



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County Borough Council

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation to cover expenditure in accordance with regulations; this differs from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement	2022/2023			2021/2022			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,782	(23,275)	27,507	50,308	(24,984)	25,324	17	49
Education	25,581	(10,221)	15,360	25,322	(9,557)	15,765		
Education - Schools	58,332	(5,954)	52,378	47,619	(7,166)	40,453	30	74
Environment	35,815	(9,854)	25,961	34,783	(11,364)	23,419		
Cardiff Capital Region City Deal	1,074	(1,087)	(13)	318	(396)	(78)	44	107
Regeneration & Economic Development	13,205	(6,884)	6,321	6,761	(4,360)	2,401		
Social Services	79,866	(27,271)	52,595	74,989	(30,655)	44,334	12	44
Licensing	255	(114)	141	226	(111)	115		
Planning	1,465	(457)	1,008	1,491	(729)	762		
Total Deficit on Continuing Services	266,375	(85,117)	181,258	241,817	(89,322)	152,495	7	36

Comprehensive Income & Expenditure Statement (Continued)	2022/2023			2021/2022			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Total Deficit on Continuing Services	266,375	(85,117)	181,258	241,817	(89,322)	152,495		
Other Operating Expenditure	10,932	(457)	10,475	11,770	(1,102)	10,668	9, 19, 20	42, 50, 51
Financing and Investment Income & Expenditure	25,538	(14,526)	11,012	20,578	(9,056)	11,522	10	42
Taxation & Non-Specific Grant Income	0	(192,304)	(192,304)	0	(179,355)	(179,355)	8, 18, 19, 21	41, 50, 52
(Surplus)/Deficit on Provision of Services	302,845	(292,404)	10,441	274,165	(278,835)	(4,670)	7	36
Tax Expenses			(7)			22	44	107
(Surplus)/Deficit on Provision of Services <i>less</i> Tax Expenses			10,434			(4,648)	MiRS	20-21
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(20,648)			(7,408)		
Remeasurement of the net defined benefit pension liability			(237,700)			(76,461)	39	91
Other Comprehensive Income & Expenditure			(258,348)			(83,869)	MiRS, 23	20-21, 58
Total Comprehensive Income & Expenditure			(247,914)			(88,517)	MiRS	20-21

Note: In the Comprehensive Income & Expenditure Statement, amounts relating to expenditure are disclosed as positive and amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Authority, whilst those not in brackets are deficits, where expenditure exceeds income.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

Movement in Reserves Statement	Council Fund	Earmarked Council Fund Reserves	Capital Reserves		Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Note	Page
			Capital Receipts Reserve	Capital Grants Unapplied					
2021/2022	£000	£000	£000	£000	£000	£000	£000		
Balance at 31 March 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	234,889	167,062		
Adjustment to Brought Forward Balance	0	0	0	0	0	418*	418		
Revised Balance as at 1 April 2021	(7,553)	(20,781)	(7,649)	(31,844)	(67,827)	235,307	167,480		
Total Comprehensive Income and Expenditure	(4,648)	0	0	0	(4,648)	(83,869)	(88,517)	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	(12,271)	0	(549)	15	(12,805)	12,805	0	24	59-61
Net (Increase)/Decrease before transfers to Earmarked Reserves	(16,919)	0	(549)	15	(17,453)	(71,064)	(88,517)		
Transfers from Council Fund (to) Earmarked Reserves	11,404	(11,404)	0	0	0	0	0	41	100-101
(Increase)/Decrease in 2021/2022	(5,515)	(11,404)	(549)	15	(17,453)	(71,064)	(88,517)		
Balance at 31 March 2022	(13,068)	(32,185)	(8,198)	(31,829)	(85,280)	164,243	78,963	BS	22

The *(Surplus) or Deficit on the Provision of Services* line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. This cost is different from the statutory amount required to be charged to the Council Fund for Council Tax setting purposes. The *Net (Increase)/Decrease before Transfers to Earmarked Reserves* line shows the statutory Council Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority. Earmarked Reserves have been disclosed separately in the MiRS to provide users with information regarding the use of these balances in comparison to the use of the Council Fund.

Movement in Reserves Statement 2022/2023	Council Fund £000	Earmarked Council Fund Reserves £000	Capital Reserves		Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000	Note	Page
			Capital Receipts Reserve £000	Capital Grants Unapplied £000					
Balance at 31 March 2022	(13,068)	(32,185)	(8,198)	(31,829)	(85,280)	164,243	78,963	BS	22
Total Comprehensive Income and Expenditure	10,434	0	0	0	10,434	(258,348)	(247,914)	CIES	19
Adjustments between accounting basis & funding basis under statutory provisions	(12,319)	0	(404)	26,528	13,805	(13,805)	0	24	59-61
Net (Increase)/Decrease before transfers to Earmarked Reserves	(1,885)	0	(404)	26,528	24,239	(272,153)	(247,914)		
Transfers from Council Fund (to) Earmarked Reserves	1,885	(1,777)	0	0	108	0	108	40	99-101
(Increase)/Decrease in 2022/2023	0	(1,777)	(404)	26,528	24,347	(272,153)	(247,806)		
Balance at 31 March 2023	(13,068)	(33,962)	(8,602)	(5,301)	(60,933)	(107,910)	(168,843)	BS	22

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Authority may use to provide services, subject to any statutory limitations on their use (*for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt*) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (*for example the Revaluation Reserve*), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line '*Adjustments between accounting basis and funding basis under statutory provisions*' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

Balance Sheet	31 March 2023		31 March 2022		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	353,142		298,382		25, 27, 30	62-69, 71, 74
Investment Properties	2,938		1,337		45	107
Heritage Assets	726		726		26	69-70
Non-Current Investments	657		342		28	72
Non-Current Debtors	3,989		4,072		29	73
Sub Total: Long-Term Assets		361,452		304,859		
Assets Held for Sale	0		60		25	65-66
Current Investments	12,065		21,000		31	75
Inventories	1,004		2,425		32	76
Current Debtors	40,785		34,358		33	76-78
Deferred Tax Asset	83		62		45	107
Cash and Cash Equivalents	49,936		87,912		44	106
Sub Total: Current Assets		103,873		145,817		
Current Borrowing	(57,527)		(73,683)		37-38	83-87
Current Creditors	(17,637)		(22,318)		34	79
Current Grants Receipts in Advance	(7,764)		(6,333)		21	52
Current Donated Assets	(615)		(2,112)		32	76
Current Provisions	(1,106)		(1,291)		35	80-82
Sub Total: Current Liabilities		(84,649)		(105,737)		
Non-Current Borrowing	(132,498)		(126,923)		37-38	83-87
Non-Current Provisions	(2,064)		(1,696)		35	80-82
Other Long-Term Liabilities	(77,270)		(295,283)		36, 40	83, 89-97
Sub Total: Long-Term Liabilities		(211,832)		(423,902)		
Total Net Assets/(Liabilities)		168,844		(78,963)		
Usable Reserves	(60,932)		(85,279)		41.1	97-101
Unusable Reserves	(107,912)		164,242		41.2	102-104
Total Reserves		(168,844)		78,963		

Cash Flow Statement

The Cash Flow Statement summarises the cash and cash equivalent transactions of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

Cash Flow Statement	2022/2023		2021/2022		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services <i>less</i> tax expenses	(10,434)		4,648		CIES	19
Adjustments to the provision of services for non-cash movements	30,625		28,310		41.1	105
Adjustments for items included in the provision of services that are investing and financing activities	(18,204)		(12,462)		41.2	105
Net Cash Inflows/(Outflows) from Operating Activities		1,987		20,496		
Investing activities		(29,066)		(15,356)	42.1	105
Financing activities		(10,897)		(8,147)	42.2	106
Net increase or (decrease) in cash and cash equivalents		(37,976)		(3,007)		
Cash and cash equivalents at the beginning of the reporting period		87,912		90,919	BS, 43	22, 106
Cash and cash equivalents at the end of the reporting period		49,936		87,912	BS, 43	22, 106

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Authority's future service delivery, i.e. non-current assets.
- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Authority.



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Blaenau Gwent

County Borough Council

1. Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Authority’s transactions for the 2022/2023 financial year and its position at the year-end of 31 March 2023. The Authority is required to prepare an annual Statement of Accounts in accordance with proper accounting practices by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 and the Service Reporting Code of Practice 2022/2023, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

1.2 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that are held in call accounts and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority’s cash management.

1.3 Employee Benefits

1.3.1 Post Employment Benefits

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- The assets of Greater Gwent (Torfaen) Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.

- Liabilities are discounted to their value at current prices, with the default accounting assumptions used by Hymans Robertson being:

Duration Category	31 March 2023			31 March 2022		
	Discount Rate	RPI	CPI	Discount Rate	RPI	CPI
	%	%	%	%	%	%
Short <i>(Less than 17 years)</i>	4.75	3.30	3.00	2.70	3.85	3.30
Medium <i>(between 17 and 23 years)</i>	4.75	3.20	2.95	2.70	3.65	3.20
Long <i>(over 23 years)</i>	4.75	3.15	2.95	2.75	3.55	3.15

Discount rates have been derived for each duration profile at which payments may be due, based on a ‘Hymans Robertson’ corporate bond yield curve, constructed on the basis of the constituents of the iBoxx AA-rated corporate bond index.

Remeasurements of the net defined benefit liability

- Actuarial gains and losses – changes in the present value of the defined obligation resulting from changes in actuarial assumptions or the effects of differences between actuarial assumptions and actual events - debited or credited to the Remeasurement of the net defined benefit liability line in the CIES.
- Return on plan assets, excluding amounts included in Net Interest on the net defined benefit liability - the sum of any interest, dividends and other income derived from plan assets, together with realised and unrealised gains or losses, less any costs of managing plan assets and tax payable by the plan. Interest on plan assets is determined by multiplying the fair value of plan assets by the rate used to discount liabilities - credited to the Remeasurement of the net defined benefit liability line in the CIES.

In relation to retirement benefits, statutory provisions require the Council Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the Council Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

1.3.2 Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.4 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

1.5 Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Authority settles the obligation.

1.6 Financial Instruments

Valuation of Assets and Liabilities Carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the net present value (NPV) of the cash flows that will take place over the remaining terms of the instruments, using the following assumptions:

- The discount rate used in the NPV calculation is equal to the current rate in relation to the same instrument from a comparable lender. This is the rate applicable in the market on the date of valuation (31 March 2022) for an instrument with the same duration, i.e. equal to the outstanding period from valuation date to maturity. For Public Works Loan Board (PWLB) borrowing the new PWLB borrowing rate has been used.

- Interest is calculated using the most common market convention (actual number of days/365).
- For fixed term deposits it is assumed that interest is received on maturity.

Fair value disclosures have not been calculated for short term financial assets including receivables (debtors), or short term financial liabilities including payables (creditors), since the carrying amounts represent a reasonable approximation of fair value.

Premiums/Discounts

1. Where premiums/discounts arising before April 2006 could be attributed to the replacement debt, then they were amortised using an effective interest basis and were included as part of the replacement loan carrying amount as at 31 March 2007. The additional interest resulting from the effective interest method is charged to the Comprehensive Income & Expenditure Statement.

2. Where premiums/discounts arising before 1 April 2006 could not be attributed to identifiable loan debt on the closing 2006/2007 Balance Sheet, then they were derecognised by writing off the balance as at 31 March 2007 to the Council Fund/HRA balance and then reversing out through the Financial Instruments Adjustment Account. The premium/discount write down for future years is charged/ (credited) to the Movement in Reserves Statement.

3. Where premiums/discounts have arisen after 1 April 2006, then the accounting treatment depends upon whether it can be classified as a modification or an extinguishment. In order to be classified as a modification, then the repayment and replacement must be on the same day and must meet the 10% test. If the modification test cannot be met then it is treated as an extinguishment. All post April 2006 premiums/discounts do not meet the modification test and therefore have been accounted for as extinguishments, with the accounting treatment being the same as for (2) above.

Interest

The interest expense & income disclosed in the Comprehensive Income & Expenditure Statement is calculated as follows:

- PWLB debt – on a nominal basis, with the exception of loans where premiums/discounts are included as part of the carrying amount, where interest is calculated using an effective interest basis.
- LOBO debt – on an amortised cost basis using an effective interest basis.
- Market loans - on a nominal basis.
- Temporary Loans & Investments – on a nominal basis.

1.7 Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Authority's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Council Fund Balance. The gains and losses are therefore reversed out of the Council Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.8 Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using last known cost.

1.9 Leases

Leases held by the Authority are defined as being finance leases or operating leases in accordance with the requirements of the Code and IAS17.

A Finance Lease is a lease that transfers substantially all the risks and rewards incidental to ownership to the lessee. The Code does not provide definitive guidance as to the meaning of 'substantially all' and the Authority has therefore exercised judgement in determining the status of each lease according to context.

The following accounting treatment applies to each type of lease:

Finance Lease

Where the Authority is lessee, the asset is recognised in the Authority's Balance Sheet, together with matching liabilities in respect of rentals. The asset is then accounted for in accordance with the capital accounting process:

- Depreciation is charged to the service revenue account over the useful life of the asset (or the lease term of the lease if shorter);
- The principal element of the lease rental writes down the liability;
- The interest element of the lease rental is charged to the revenue account;
- MRP equal to the principal element of the finance lease rental is charged to the revenue account; and
- Adjusting entries are made to ensure that the revenue accounts are only charged with the annual lease rentals.

Where the Authority is lessor, the asset is not on the Authority's Balance Sheet, as substantially all the risks & rewards of ownership have been transferred to the third party. The accounting process is as follows:

- A long term lease debtor is set up for the principal amount outstanding (the net investment in the lease)
- Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, the Deferred Capital Receipts Reserve is credited with the total value of the lease asset due.
- Lease income received from the third party is split into principal and interest. The principal element is treated as a capital receipt and will write down the long term lease debtor.
- The interest element is credited to the Comprehensive Income & Expenditure Statement as financing and investment income.
- For leases entered into prior to 31 March 2010, the capital accounting regulations allow mitigating accounting entries that enable the principal element to continue to be treated as revenue income.

Operating Lease

Where the Authority is lessee, operating lease payments are charged to revenue as they become payable. No asset is created in the Authority's Balance Sheet.

Where the Authority is lessor, the asset is recognised in the Authority's Balance Sheet, depreciation is charged to the service revenue account over the useful life of the asset and lease income received from the third party is credited to the revenue account.

Service Concessions and Arrangements Containing Leases

The Authority currently has no such arrangements.

1.10 Fair Value Measurement

The Authority measures some of its non-financial assets such as Surplus Assets and Assets Held for Sale at fair value at each reporting date in accordance with the measurement requirements of IFRS13 *Fair Value Measurement*.

Surplus assets are defined as Property, Plant & Equipment (PPE) assets that do not provide service potential for the Authority and are therefore not measured for their service potential but for the economic benefits inherent in the assets. They are revalued at fair value at the point of being declared surplus and then in accordance with the usual 5 year rolling programme of revaluations.

Assets Held for Sale are assets where it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use. They are held at the lower of carrying amount (before reclassification) or Fair Value.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

- a) in the principal market for the asset; or
- b) in the absence of a principal market, in the most advantageous market for the asset.

The Authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. In considering alternative higher and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of non-financial assets for which fair value is measured or disclosed in the Authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability.

All valuations for surplus assets and assets held for sale fall into the level 3 category, due to the nature of the valuation technique. The valuation technique maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's surplus assets are disclosed in the note 25.2 to the Balance Sheet (*pages 65-66*).

1.11 Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to surplus assets under PPE and valued at fair value in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale, but are treated as surplus assets within Property, Plant & Equipment.

The following criteria have to be satisfied in order to classify an asset as held for sale:

- The asset must be available for immediate sale;
- The sale must be highly probable & there must be an active programme to locate a buyer;
- The asset must be marketed for sale at a price that is reasonable in relation to its fair value; and
- The sale should be anticipated to be completed within one year from the date of classification.

All Assets Held for Sale are included in the Balance Sheet as Current Assets.

1.12 Surplus Non-Current Assets Under PPE

Assets that have been declared surplus that do not meet the criteria above are reclassified as surplus assets under PPE and valued at fair value at the point they are declared surplus. This will be its highest and best use in accordance with the fair value measurement requirements of IFRS13 (*see Accounting Policy 1.10*).

1.13 Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice 2022/2023 (SeRCoP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority's status as a multifunctional, democratic organisation.
- Non Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in SeRCoP and accounted for within the Corporate Services Portfolio in the Expenditure & Funding Analysis (EFA), as part of Net Expenditure on Continuing Services.

The total actual costs of central departments are recharged as central support charges to services on the basis of estimated staff time. Office accommodation charges are pooled and allocated on the basis of floor area. I.T. recharges are made on the basis of hardware and software usage.

The Authority's Management Accounts, included in the EFA, reflect the proper allocation of overhead and support costs to services. Where recharges are made between accounting segments (i.e. Portfolios), these have been removed by adjustment in the EFA and are not included in the Comprehensive Income & Expenditure Statement.

1.14 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

1.14.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Only expenditure in excess of £50,000 has been capitalised, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets – depreciated historical cost. Not all roads and infrastructure assets are included in the Balance Sheet as the asset valuation reflects historic expenditure incurred on such assets from a point in time. Any roads provided by private developers that are adopted by the Authority are not individually recognised on the Balance Sheet and are effectively recorded at nil value. From 2021/2022, only the Net Book Value of Infrastructure Assets has been reported in the Accounts, as allowed by CIPFA's temporary adjustment to the Accounting Code of Practice. In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.
- Community assets and assets under construction – depreciated historical cost;
- All other operational PPE assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV). Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for fair value; and
- Surplus Assets under PPE – fair value in accordance with the definitions and measurement requirements in IFRS13.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end; as a minimum, all assets are revalued every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, the accounting treatment is:

- The carrying amount of the asset is written down against the balance of revaluation gains for the asset in the Revaluation Reserve (up to the amount of the accumulated gains), where a balance exists;
- The carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement where there is no balance or an insufficient balance in the Revaluation Reserve.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

1.14.2 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Writing down the carrying amount of that asset against the balance (up to the amount of the accumulated gains) where there is a balance of revaluation gains for the asset in the Revaluation Reserve;
- Writing down the carrying amount of the asset against the relevant service line(s) in the Comprehensive Income and Expenditure Statement where there is no balance or an insufficient balance in the Revaluation Reserve.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

1.14.3 Depreciation

Depreciation is provided for on all Property, Plant and Equipment by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer;

- Vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer; and
- Infrastructure – straight-line allocation over 40 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Where qualifying assets have been acquired or disposed of part way through the year, depreciation has been charged on a daily basis.

For buildings, a technical assessment of the useful life of the asset is provided by the Authority's appointed external valuers, Savills (UK) Limited.

For other asset-types, the following standard lives have been used to calculate depreciation amounts:

Asset Type	Standard Life (Years)
Vehicles	5
Equipment [†]	10
I.T. Equipment [†]	5
Infrastructure Assets	40
Street Lighting	40

†: In some cases the relevant technical officer may provide a different assessment of the useful life.

1.14.4 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. These are credited to the Capital Receipts Reserve and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the Council Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the Council Fund Balance in the Movement in Reserves Statement.

1.14.5 Componentisation

The following policy has been adopted for the componentisation of assets and applied to assets as acquired, enhanced and revalued:

- A material component is defined as one that has a gross replacement cost in excess of 25% or the total gross replacement cost for the asset;
- Where material components have been identified the current carrying amount of that component is reflected as a separate asset and depreciated over the life of that component.

1.15 Investments and Investment Properties

1.15.1 Investments - Silent Valley Waste Services

Where a reliable fair value cannot be established for an unquoted equity instrument then the investment has been measured at cost. In order to calculate a fair value for the investment in Silent Valley Waste Services, all future dividends receivable would need to be discounted to the value as at the Balance Sheet date. The time period for which such dividends would be receivable is undeterminable and therefore the asset has been measured at cost.

1.15.2 Investment Properties - Pharmatelligence Ltd.

Investment properties are those held solely to earn rentals and/or for capital appreciation such as; ground leases, land held for future development as strategic sites and other land and buildings that meet investment property criteria. Investment properties are measured at fair value, based on the market value that would be received to sell an asset in an orderly transaction between market participants at the measurement date, reflecting the asset's highest and best use.

A full valuation is undertaken periodically with the most recent valuation having taken place during the preparation of the 2019/20 City Deal accounts. The Investment Property included in the City Deal Joint Committee's Group Accounts has been valued by Monmouthshire County Council as part of its role as the host Authority for the CSC Foundry Ltd. project.

Investment properties are not depreciated. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.16 Heritage Assets

Tangible heritage assets are defined as having historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture. Intangible heritage assets are defined as having cultural, environmental, or historical significance.

The Authority has identified two monuments meeting the definition of heritage assets, which have been valued on the basis of annually updated insurance replacement cost. Where significant physical deterioration or damage has occurred to the assets, this has been recognised as an impairment charge. The useful lives of these assets have been assessed as 'indefinite' and therefore no depreciation is charged.

The acquisition of heritage assets is a rare occurrence; in the event a new asset is acquired or identified it will be valued using an appropriate basis (where the expected value is estimated to be significant). Given the nature of heritage assets identified for inclusion in the accounts, disposal is also a rare occurrence. On disposal, proceeds would be accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts as outlined in section 1.14.4.

An Heritage Assets Register is maintained by the Authority which details qualifying assets within the boundaries of the County Borough, including those assets identified as heritage assets for the purposes of the Statement of Accounts.

Both monuments identified as heritage assets are located in areas with free and open public access.

1.17 Minimum Revenue Provision

Local Authorities are normally required each year to set aside some of their revenues as provision for capital expenditure financed by borrowing or credit arrangements. This is referred to as Minimum Revenue Provision (MRP).

The Welsh Government issued regulations for the making of MRP with effect from the 2008/2009 financial year, requiring Local Authorities to make a prudent provision for MRP. Local Authorities are legally obliged to "have regard" to such guidance (i.e. set a prudent MRP). The legislation does not define what constitutes a "prudent provision", however the MRP guidance issued by the Secretary of State interprets the term and provides some examples.

The MRP for 2022/2023 has been calculated in accordance with the MRP policy that was approved by full Council in March 2022, using the following method:

- Supported Borrowing – MRP is calculated on an annuity basis over 50 years.
- Unsupported Borrowing – The calculation looks at the average asset life for all unsupported borrowing in each year and applies the annuity calculation to the total unsupported borrowing capital expenditure for that year.
- Finance Leases – The MRP for finance leases is equal to the principal element of the rental payable each year.

As existing Council Taxpayers have been charged in previous years for MRP that has subsequently been reduced as a result of the retrospective policy changes introduced in 2018/2019, the level of MRP made in year has been reduced in order to provide those Taxpayers with the policy benefits arising within a reasonable time-frame. In 2022/2023 MRP has therefore been reduced by £3.2m.

1.18 Tax Income (Council Tax and National Non-Domestic Rates (NNDR))

The Authority follows the principles in IPSAS23 *Revenue from Non-Exchange transactions (Taxes and Transfers)* in respect of accounting for tax income collected, except where interpretations or adaptations to fit the public sector are detailed in the Code.

Council Tax

The Authority collects and distributes Council Tax on behalf of Gwent Police and four town or community councils. The precept for each of these bodies is paid in full during the financial year and is not affected by the level of Council Tax actually collected. As payment is made in full, there are no debtor or creditor balances recognised for precepting bodies on the Balance Sheet.

The Comprehensive Income & Expenditure Statement recognises the amount due to the Authority for the year. Any surplus or deficit arising on collection is also included in Taxation and Non-Specific Grant Income.

Council Tax Reduction Scheme (CTRS)

Costs relating to the Council Tax Reduction Scheme are included as expenses paid through the tax system and in accordance with IPSAS 23 are recognised as a service cost and not a reduction of Council Tax income through foregone revenues.

National Non-Domestic Rates (NNDR)

The Authority collects National Non-Domestic Rates (NNDR) under an agency arrangement with the Welsh Government. Cash collected from non-domestic ratepayers is not the income of the Authority and is therefore not included in its Accounting Statements. Debtor and creditor balances with taxpayers and the impairment allowance for doubtful debts are not the assets and liabilities of the Authority and are therefore not recognised in the Balance Sheet.

A debtor or creditor is included for cash collected on an agency basis that has been under or overpaid to the Welsh Government at the Balance Sheet date. The Comprehensive Income and Expenditure Statement includes the Authority's contribution due from the NNDR Pool, the cost of collection allowance for the year and accrued amounts billed in pursuit of unpaid NNDR debts.

1.19 Joint Arrangements

Joint Arrangements involve the provision of services by two or more parties that have joint control over the activity, bound by contract. These arrangements can be classed as Joint Ventures or Joint Operations, depending on the status of the arrangement as an entity in its own right, the degree to which the owning parties have control over the entity and the governance arrangements in place.

In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements and in each case the Comprehensive Income and Expenditure Account reflects the transactions occurring between the Authority and the joint arrangement.

The Cardiff Capital Region City Deal (CCRD) is a joint arrangement classed as a joint operation involving 10 local authority partners in South-East Wales. In accordance with the Code requirements, the Authority has included its share of income, expenditure, assets, liabilities, reserves and cash flows relating to the arrangement within the single entity accounting statements and disclosures.

1.20 Accounting for Schools

The Accounting Code includes a prescribed treatment for the inclusion of schools in the Statement of Accounts. CIPFA/LASAAC is of the view that local authority maintained schools are capable of being treated as separate entities for control purposes, and that based on the indicators of control identified under the requirements of the Code's adoption of IFRS10 *Consolidated Financial Statements*, the balance of control lies with local authorities. Consequently, schools should be included in group accounts. However, the Code also includes an adaptation to the definition of single entity financial statements to include the income, expenditure, assets, liabilities, reserves and cash flows of local authority maintained schools.

All maintained schools in the County Borough are now therefore considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined below. The Authority has the following types of maintained schools under its control:

- Community
- Voluntary Aided
- Voluntary Controlled
- Foundation

Schools Non-Current Assets are recognised on the Balance Sheet where the Authority directly owns the assets, holds the balance of control of the assets or where the school or the school Governing Body own the assets or have had rights to use the assets transferred to them. Land and buildings used by schools are recognised in accordance with the recognition tests relevant to the arrangements that prevail for the property.

Community schools are owned by the Authority and are, therefore, recognised on the Balance Sheet.

The four Voluntary Aided and Controlled schools within the County Borough are owned by the respective Diocese with no formal rights to use the assets through licence arrangements passed to the school or Governing Bodies. The assets are used under "mere" licences that pass no interest to the school and which are terminable by the trustees at any time without causal action. As a result these schools are not recognised on the Balance Sheet.

Ownership and control of the Foundation school lies with the school or the school's Governing Body and therefore the assets have been recognised on the Balance Sheet with effect from 1 April 2013.

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Service Code of Practice standard subjective grouping, or exceptionally as third party payments.

1.21 Group Accounts

In addition to the preparation of single entity financial statements, the Authority is required to prepare Group Accounts where it has interests in subsidiaries, associates and joint ventures, unless those interests are considered not material. The 2014/2015 Code included revisions resulting from the introduction or amendment in May 2011 of five accounting standards (IFRS10 *Consolidated Financial Statements*, IFRS11 *Joint Ventures*, IFRS12 *Disclosure of Interests in Other Entities*, IAS27 *Separate Financial Statements* and IAS28 *Investments in Associates*) relating to the preparation of group or consolidated accounts. These standards included amendments to the definition of the group boundary that could have impacted on the entities to be consolidated with the Authority in preparing group accounts.

The relevant standards and the CIPFA publication *Accounting for Collaboration in Local Government* have been used to determine the correct treatment of collaborative working arrangements in which the Authority is involved. As a result, the group boundary has been determined as including the Authority and Silent Valley Waste Services Ltd., a wholly owned subsidiary over which it has control through the appointment of the majority of the company's board of directors.

The Authority's interest in the Education Achievement Service for South-East Wales has not been consolidated in the Group Accounts. Whilst the Authority holds a 20% interest in the company, which would normally trigger the requirements for inclusion as an associate company within group accounts, there are a number of factors that counter-indicate the Authority having significant influence over the EAS, including the level of control exercised by Welsh Government, and therefore the presumption for inclusion has been rebutted.

1.22 Determination of Operating Segments

For the purpose of classifying expenditure and income in the Comprehensive Income and Expenditure Statement (CIES) and Expenditure and Funding Analysis (EFA), operating segments disclosed have been aligned with the Authority's Portfolio structure. All Portfolios and Committees have been disclosed, regardless of size in monetary terms, and there has been no aggregation of segments in these Accounts.

2. Impact of changes in Accounting Policies, Accounting Estimates and Errors.

There are no significant changes to accounting policies or accounting estimates adopted for the 2022/2023 Accounts.



3. Accounting Standards Issued but not yet Adopted

The 2023/2024 Accounting Code of Practice includes the following new or revised accounting standards that have effect from 1 April 2023.

Source, Requirement and Potential Impact
<p><i>IAS 8 Accounting Policies, Changes in Accounting Estimates & Errors</i></p> <p>Amendments to the definition of accounting estimates issued in February 2021. No significant impact anticipated on the Authority's Accounts.</p>
<p><i>IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2</i></p> <p>Amendments to the disclosure of Accounting Policies, where entities are now required to disclose its material rather than significant accounting policies. No significant impact anticipated on the Authority's Accounts.</p>
<p><i>IAS 12 Income Taxes</i></p> <p>Amendments to IAS 12, issued in May 2021 - Deferred Tax related to Assets and Liabilities arising from a single transaction, gives an exemption from the initial recognition exemption provided. No significant impact anticipated on the Authority's Accounts.</p>
<p><i>IFRS 3 - Business Combinations</i></p> <p>Update to a reference to the Conceptual Framework was issued in May 2020. No significant impact anticipated on the Authority's Accounts.</p>

Having previously deferred implementation of IFRS 16 *Leases* to 1 April 2021, CIPFA/LASAAC has agreed to a further deferral until the 2024/2025 financial year.

IFRS16 removes the current operating and financing lease classifications and requires local authorities that are lessees to recognise all leases on their balance sheets as right-of-use assets (with exemptions for short-term and low value leases) together with a corresponding liability representing the obligation to make lease payments for the asset.

4. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Local Government Scheme Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The Greater Gwent Local Government Pension Scheme has engaged Hymans Robertson LLP as its consulting actuary to provide expert advice concerning the appropriate assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. The fund actuary has advised that a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £46.195m (<i>see pages 94-95 for further sensitivity analysis</i>). However, the assumptions interact in complex ways. During 2022/2023, the Authority's actuaries advised that the net pensions liability had decreased by £231.755m as a result of remeasurements of pension assets and liabilities. This decrease comprised a £21.563m loss on assets (representing the difference between actual and expected asset return for the year) and net decreases in liabilities of £253.318m (arising from changes in demographic/financial assumptions and other experience gains (<i>see page 91</i>)).
Revaluation of Property, Plant and Equipment	Property, Plant and Equipment assets are revalued on a sufficiently regular basis to ensure their carrying amount is not materially different from their fair value. As a minimum, all assets are revalued every five years. In addition, all assets are assessed annually for impairment. The value of the asset portfolio is based upon calculations and estimation techniques following the Royal Institute of Chartered Surveyors (RICS) guidance.	The appointed valuers have applied professional judgement and assumptions in determining the value of assets and the extent of any impairment. A 1% variation arising from these judgements and assumptions would result in the over or understatement of the Gross Book Value of PPE of £4.191m. These variances could result in the Statement of Accounts being materially mis-stated and, subject to proper capital accounting practice, their adjustment could have an impact on the Balance Sheet, CIES and the level of the Authority's Reserves.
Indexation of Property Assets valued at Depreciated Replacement Cost (DRC)	As a consequence of increases in material and rebuild costs, it was considered necessary to revalue those assets that are normally valued using the DRC method to ensure that the Balance Sheet valuations were not materially understated in 2021/2022.	An indexation approach was adopted to update the carrying values of the relevant asset categories, mainly in relation to schools, libraries, leisure centres, and car parks. The impact of this indexation exercise was an increase in the gross value of the Authority's assets of £2.2 million.
Fair Value Estimations	When the fair values of Investment Properties, Surplus Assets and Assets Held for Sale cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using the following valuation techniques: - For Level 2 inputs, quoted prices for similar assets or liabilities in active markets at the balance sheet date; - For level 3 inputs, valuations based on a combination of available market data derived from a mixture of transactions on both Council and 3rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc.. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgment is required in establishing fair values. These judgments typically include considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value of the Authority's assets and liabilities.	The Authority uses a combination of available market data derived from a mixture of transactions on both Council and 3 rd party assets which are then analysed to take into account yields, rates per sq. m, build costs etc. to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13, depending on which technique it considers most appropriate. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, and others. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.
Depreciation of Property, Plant and Equipment	Assets are depreciated based on useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Authority will be able to maintain the required level of expenditure on repairs and maintenance, resulting in uncertainty regarding the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation charged to the CIES increases and the carrying amount of assets on the Balance Sheet falls.
Impairment of Debtors	As at 31 March 2023, the Authority has an outstanding debtors balance of £49.802m. In accordance with proper accounting practice, impairment allowances totalling £5.645m have been calculated for the various classifications of debt outstanding. However, these allowances are based on estimates and judgements, including past experience of collecting similar debts, which may not accurately reflect future levels of debt recovery.	An understatement of debtor impairment allowances would result in an overstatement of income recovered that would require adjustment in the Accounting Statements. At 31 March 2023, impairment allowances represent 11.33% of debt outstanding. A 5% understatement in impairment would therefore represent a potential reduction in revenues of £2.488m.

5. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- i. These accounts have been prepared on a going concern basis, which assumes that the functions and services provided by the Authority will continue in operational existence for the foreseeable future, although there will be significant financial challenges to be met (*see also note 15 to the Narrative Report, page 12*).
- ii. The Authority has reviewed all property assets in accordance with the relevant accounting policies and has made appropriate reclassifications for assets that are held for sale.
- iii. All maintained schools in the County Borough are considered to be entities controlled by the Authority, with the income, expenditure, assets, liabilities, reserves and cash flows of each school recognised in the single entity accounts on the basis outlined in the Authority's Accounting Policies (*1.20, pages 31-32*).
- iv. The Authority has determined that assets used for economic development purposes, e.g. industrial estates, are not held solely for the purpose of income generation or capital appreciation and therefore do not meet the definition of investment properties. These assets have been treated as Property, Plant and Equipment in the Balance Sheet.
- v. The Authority has classified its leases as finance or operating in accordance with IFRS. Finance leases are not precisely defined and therefore an element of judgement has been required in assessing each lease arrangement.
- vi. Capital and revenue grants and contributions continue to be reviewed to determine the existence of any conditions requiring repayment of sums involved to the awarding body, and the extent to which any conditions have been fulfilled. There has been a consequential impact on sums retained on the Balance Sheet and credited to the Comprehensive Income and Expenditure Statement.
- vii. Where disclosure notes required by the Accounting Code are insignificant or immaterial in value and their omission has been determined not to have a detrimental impact on the presentation of the financial position or performance of the Authority, these disclosures have not been presented.

6. Events After the Reporting Period

The Statement of Accounts was authorised for issue by Ms R. Hayden CPFA, Chief Officer - Resources, on 12 November 2023.

Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Comprehensive Income and Expenditure Statement Notes

7. Expenditure and Funding Analysis

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Authority in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure & Funding Analysis	2022/2023					2021/2022				
	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments (Note 7.1)	Net Expenditure Chargeable to the Council Fund (Note 7.2)	Funding & Accounting Basis Adjustments (Note 7.3)	CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	16,209	8,899	25,108	2,397	27,505	16,140	6,711	22,851	2,473	25,324
Education	68,263	(55,230)	13,033	2,327	15,360	63,818	(50,749)	13,069	2,696	15,765
Education - School Spending	(4,820)	55,943	51,123	1,255	52,378	(6,228)	49,534	43,306	(2,853)	40,453
Environment	30,360	(10,541)	19,819	6,142	25,961	26,710	(11,278)	15,432	7,987	23,419
Cardiff Capital Region City Deal	0	(13)	(13)	0	(13)	0	107	107	(185)	(78)
Regeneration & Economic Development	1,628	(558)	1,070	5,251	6,321	1,519	(498)	1,021	1,380	2,401
Social Services	50,182	(2,278)	47,904	4,689	52,593	42,749	(3,378)	39,371	4,963	44,334
Licensing	128	(14)	114	27	141	95	(13)	82	33	115
Planning	1,189	(327)	862	146	1,008	798	(218)	580	182	762
Capital Adjustments*	0	0	0	0	0	0	(4)	(4)	4	0
Pension Adjustments**	0	465	465	(465)	0	0	396	396	(396)	0
Net Expenditure on Continuing Operations	163,139	(3,654)	159,485	21,769	181,254	145,601	(9,390)	136,211	16,284	152,495
Other Operating Expenditure	0	10,574	10,574	(99)	10,475	0	8,941	8,941	1,727	10,668
Financing & Investment Income & Expenditure	0	4,313	4,313	6,699	11,012	0	4,653	4,653	6,869	11,522
Taxation & Non-Specific Grant Income	0	(176,250)	(176,250)	(16,054)	(192,304)	0	(166,745)	(166,745)	(12,610)	(179,355)
(Surplus)/Deficit on the Provision of Services	163,139	(165,017)	(1,878)	12,315	10,437	145,601	(162,541)	(16,940)	12,270	(4,670)
Tax Expenses			(7)					22		
Transfers to/(from) earmarked reserves			1,885					11,404		
(Increase)/Decrease in year			0					(5,514)		
Opening Council Fund Balance as at 1 April			(13,067)					(7,553)		
Closing Council Fund Balance as at 31 March			(13,067)					(13,067)		

*: Capital Adjustments includes Deferred Charges and Minimum Revenue Provision.

** : Pension Adjustments represents corporate amounts for Past Service Cost/Curtailment payments to the Local Government Pension Scheme.

7.1 Code-Compliant Adjustments to Management Accounts

This table shows the adjustments made to the 2022/2023 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2022/2023							Total £000
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Services	(11)	8,062	0	0	(25)	439	434	8,899
Education	(3,231)	(51,444)	0	0	(148)	(438)	31	(55,230)
Education - School Spending	0	49,715	0	0	0	0	6,228	55,943
Environment	(4,188)	(3,259)	0	(3,755)	439	123	99	(10,541)
Cardiff Capital Region City Deal	0	0	0	0	0	0	(13)	(13)
Regeneration & Economic Development	(425)	(137)	0	0	(3)	34	(27)	(558)
Social Services	(163)	(2,653)	0	0	(52)	643	(53)	(2,278)
Licensing	0	(9)	0	0	0	0	(5)	(14)
Planning	0	(269)	0	0	(1)	(57)	0	(327)
Capital Adjustments	0	0	0	0	0	0	0	0
Pension Adjustments	0	0	(466)	0	0	0	931	465
Net Expenditure on Continuing Operations	(8,018)	6	(466)	(3,755)	210	744	7,625	(3,654)
Other Operating Expenditure	0	0	0	3,755	0	0	6,819	10,574
Financing & Investment Income & Expenditure	0	0	8,066	0	0	0	(3,753)	4,313
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(176,250)	(176,250)
(Surplus)/Deficit on the Provision of Services	(8,018)	6	7,600	0	210	744	(165,559)	(165,017)

This table shows the adjustments made to the 2021/2022 management accounts to arrive at 'Net Expenditure Chargeable to the Council Fund' on an Accounting Code of Practice-compliant basis:

Expenditure and Funding Analysis: Accounting Code Adjustments to Management Accounts	2021/2022							Total £000
	Capital Charges (Note 7.1.1)	Elimination of Internal Recharges (Note 7.1.2)	Pension Liabilities (Note 7.1.3)	Precepts & Levies (Note 7.1.4)	Provisions (Note 7.1.5)	Reserves (Note 7.1.6)	Other (Note 7.1.7)	
	£000	£000	£000	£000	£000	£000	£000	
Corporate Services	(11)	7,624	0	0	(31)	(338)	(533)	6,711
Education	(3,231)	(47,472)	0	0	(202)	157	(1)	(50,749)
Education - School Spending	0	45,838	0	0	23	3,681	(8)	49,534
Environment	(4,127)	(3,207)	0	(3,630)	(93)	(261)	40	(11,278)
Cardiff Capital Region City Deal	0	0	0	0	0	0	107	107
Regeneration & Economic Development	(425)	24	0	0	(4)	(27)	(66)	(498)
Social Services	(163)	(2,461)	0	0	(65)	(858)	169	(3,378)
Licensing	0	(11)	0	0	0	0	(2)	(13)
Planning	0	(248)	0	0	(7)	37	0	(218)
Capital Adjustments	0	0	0	0	0	0	(4)	(4)
Pension Adjustments	0	0	(394)	0	0	0	790	396
Net Expenditure on Continuing Operations	(7,957)	87	(394)	(3,630)	(379)	2,391	492	(9,390)
Other Operating Expenditure	0	0	0	3,630	0	0	5,311	8,941
Financing & Investment Income & Expenditure	0	0	7,116	0	0	0	(2,463)	4,653
Taxation & Non-Specific Grant Income	0	0	0	0	0	0	(166,745)	(166,745)
(Surplus)/Deficit on the Provision of Services	(7,957)	87	6,722	0	(379)	2,391	(163,405)	(162,541)

The following notes provide additional detail for each of the adjustments made to management accounts:

7.1.1 Capital Charges

Capital charges reported to management are on the basis of estimates calculated prior to the commencement of the financial year during the budget-setting process. These are removed and replaced with actual capital charges for depreciation, impairment and leasing. The 'Capital Adjustments' line includes the calculated MRP for the year.

7.1.2 Elimination of Internal Recharges

The Accounting Code confirms that the EFA fulfils the Authority's requirements for segmental analysis in compliance with IFRS 8 *Operating Segments* and also stipulates that transactions between segments are not permitted in the service analysis section of the CIES. Management reports include expenses and revenues arising from recharges for a range of internally provided support services and services reported on a corporate basis (such as Centralised IT and Corporate Landlord functions). These entries are eliminated to avoid the overstatement of segment income and expenditure as reported in the CIES. Transactions relating to specific services provided to Schools have not been eliminated as these are not material in value but would distort the figures reported in relation to Schools Balances and the Council Fund General Reserve in a way that is not considered to be useful to the users of the Accounts.

7.1.3 Pension Liabilities

Current Service Costs included in management reports are on the basis of an estimated level of liabilities, with adjustment to the equivalent cash cost for grant funded schemes. Past Service and Curtailment Costs are also included on an estimate basis. These amounts are adjusted to the actuarially-calculated amounts for inclusion in the statutory accounts.

Accruals for short-term accumulating compensated absences are not included in management accounts; these are added for code-compliance.

7.1.4 Precepts & Levies

Precepts and levies are reported in the Environment Portfolio, but are reclassified as 'Other Operating Expenditure' in the CIES.

7.1.5 Provisions

Amounts are included in management accounts for early termination provision costs, on a case-by-case basis. No other entries relating to provisions are included. Adjustment is made to match the statutory accounts that include provisions on the basis required by IAS37 *Provisions, Contingent Liabilities and Contingent Assets*.

7.1.6 Reserves

Management accounts include transfers to or from earmarked reserves as income or expenditure against services. Amounts may also be included for revenue contributions to capital expenditure. These are adjusted to match the treatment in the statutory accounts, where transfers to/from reserves are recorded in the Movement in Reserves Statement and revenue contributions to capital expenditure are included as adjustments under statutory provisions.

7.1.7 Other Adjustments

This includes:

- Reclassification of the Council Tax Surplus on Collection, which is included as a credit against services in the management accounts and within 'Taxation and Non-Specific Grant Income' in the CIES;
- Adjustment for Impairment Charges for Debtors, which are not reported to management but included in the statutory accounts on the basis of type and age of debt;
- Inclusion of unhypothecated funding sources, such as Revenue Support Grant, NNDR and Council Tax, which are not included in reports to management;
- Correction of entries in relation to Housing Benefit overpayments and associated impairment; and
- Addition of Blaenau Gwent's share of the Cardiff Capital Region City Deal operating income and expenditure.

7.2 Expenditure and Income Charged to the Council Fund

Net Expenditure charged by Portfolios to the Council Fund can be analysed as follows:

Expenditure & Income Charged to Council Fund	2022/2023 £000	2021/2022 £000
External Fees, Charges & Other Service Income	(21,591)	(19,256)
Government Grants	(62,248)	(68,801)
Total Income	(83,839)	(88,057)
Employee Expenses	120,458	108,813
Other Service Expenses	122,866	115,455
Support Service Recharges	0	0
Depreciation, amortisation & impairment	0	0
Total Expenditure	243,324	224,268
Net Expenditure	159,485	136,211

7.3 Adjustments Between Funding and Accounting Basis

This table shows the adjustments between the management accounts (restated to an Accounting Code of Practice-compliant basis) and the net expenditure reported in the Comprehensive Income and Expenditure Statement:

Expenditure & Funding Analysis: Adjustments between 'Code-Compliant' Management Accounts and the CIES	2022/2023				2021/2022			
	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments	Adjustments for Capital Purposes (Note 7.3.1)	Net Change for Pensions Adjustments (Note 7.3.2)	Other Adjustments (Note 7.3.3)	Total Adjustments
	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	6	2,498	(107)	2,397	(111)	2,584	0	2,473
Education	755	1,640	(68)	2,327	555	2,116	25	2,696
Education - School Spending	1,148	0	107	1,255	(3,040)	0	187	(2,853)
Environment	3,761	2,684	(303)	6,142	4,604	3,350	33	7,987
Cardiff Capital Region City Deal	0	0	0	0	(186)	0	1	(185)
Regeneration & Economic Development	4,883	416	(48)	5,251	875	505	0	1,380
Social Services	949	4,008	(268)	4,689	401	4,560	2	4,963
Licensing	0	29	(2)	27	0	33	0	33
Planning	0	161	(15)	146	0	187	(5)	182
Capital Adjustments	0	0	0	0	4	0	0	4
Pension Adjustments	0	(465)	0	(465)	0	(396)	0	(396)
Net Expenditure on Continuing Operations	11,502	10,971	(704)	21,769	3,102	12,939	243	16,284
Other Operating Expenditure	(99)	0	0	(99)	1,727	0	0	1,727
Financing & Investment Income & Expenditure	(2,212)	8,066	845	6,699	(143)	7,116	(104)	6,869
Taxation & Non-Specific Grant Income	(16,054)	0	0	(16,054)	(12,610)	0	0	(12,610)
(Surplus)/Deficit on the Provision of Services	(6,863)	19,037	141	12,315	(7,924)	20,055	139	12,270

7.3.1 Adjustments for Capital Purposes

This column adds in depreciation, impairment and revaluation gains & losses in the service lines, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

7.3.2 Net Change for Pensions Adjustments

This column shows the net change for the removal of pension contributions and the addition of IAS19 *Employee Benefits* pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs.
- For financing and investment income and expenditure, the net interest on the defined benefit liability is charged to the CIES.

7.3.3 Other Adjustments

This column includes differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For service lines, the adjustment for short-term accumulating compensated absences.
- For financing and investment income and expenditure the other differences column recognises adjustments to the Council Fund for the timing differences for premiums and discounts.

8. Taxation and Non-Specific Grant Income

This disclosure includes:

- Local taxation income, such as Council Tax receipts;
- Grants and contributions that are not attributable to specific services and are applied as general revenue funding; and
- Capital grants and contributions from a variety of funding bodies to cover expenditure on capital schemes.

Taxation & Non Specific Grant Income	2022/2023 £000	2021/2022 £000
Taxation & Non-Specific Revenue Grants		
Council Tax Income	(44,676)	(44,272)
Non-Domestic Rates	(25,180)	(23,334)
Revenue Support Grant	(105,616)	(98,387)
Unhypothecated Grants	0	(493)
Total Taxation and Non-Specific Revenue Grants	(175,472)	(166,486)
Capital grants and contributions	(16,832)	(12,869)
Total	(192,304)	(179,355)

No grants were received from Welsh Government in 2022/2023 that were not related to specific services. In 2021/2022 the Authority received £0.493m of these 'Unhypothecated Grants'.

9. Other Operating Expenditure

Other operating expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Other Operating Expenditure	2022/2023			2021/2022		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
(Gains)/losses on the Disposal of Non-Current Assets	280	(457)	(177)	1,696	(1,102)	594
Precepts & Levies:						
Gwent Police Authority Precept	6,342	0	6,342	5,988	0	5,988
South Wales Fire Authority Levy	3,548	0	3,548	3,482	0	3,482
Community Council Precepts	555	0	555	456	0	456
Coroners' Courts	175	0	175	116	0	116
National Park Levy	32	0	32	32	0	32
Total	10,932	(457)	10,475	11,770	(1,102)	10,668

10. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement consists of the following:

Financing and Investment Income and Expenditure	2022/2023			2021/2022		
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
	£000	£000	£000	£000	£000	£000
Change in Fair Value of Investment Property *	0	0	0	5	0	5
Impairment **	194	0	194	190	0	190
Interest payable and similar charges - Financial Instruments	4,708	0	4,708	4,464	0	4,464
Interest payable and similar charges - Other ***	5	0	5	5	0	5
Interest receivable and similar income - Financial Instruments	0	(1,789)	(1,789)	0	(77)	(77)
Interest receivable and similar income - Other ****	0	(172)	(172)	0	(181)	(181)
Net Pensions Interest Cost	20,631	(12,565)	8,066	15,914	(8,798)	7,116
Total	25,538	(14,526)	11,012	20,578	(9,056)	11,522

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

***: Interest on finance leases and school balances.

** : Movement in allowances for expected credit losses on financial assets.

****: Interest on (lessor) finance leases, car loans and contractor bonds.

11. Agency Income and Expenditure

During the Covid-19 pandemic, the Authority acted as an agent on behalf of Welsh Government in the distribution of a range of grants and reliefs. The following tables summarise the transactions and balances related to the various grants and reliefs administered during 2022/2023.

Funding Administered on Behalf of Welsh Government: Transactions	2022/2023		2021/2022	
	Funding Allocation	Payments Made or Reliefs Applied	Funding Allocation	Payments Made or Reliefs Applied
	£000	£000	£000	£000
Business Support Grants	0	0	(2,240)	1,577
Self Isolation Payments	(1,051)	1,051	(2,743)	2,743
SSP Enhancement Payments	(91)	91	(83)	83
Care Workers Payments	(2,903)	2,903	(2,000)	1,998
Cost of Living Scheme	(4,440)	4,440	0	0
Energy Support Scheme	(264)	0	0	0
Freelancer Grants	0	0	(108)	108
Retail, Leisure and Hospitality Rate Relief	(1,300)	530	(3,607)	2,055
Ukraine Resettlement Scheme	(108)	108	0	0
Unpaid Carers	(712)	712	0	0
Winter Fuel Payments	(1,973)	1,973	(1,102)	1,102
Total	(12,842)	11,808	(11,883)	9,666

Funding Administered on Behalf of Welsh Government: Balances	Balance at 31 March 2023	Balance at 31 March 2022
	£000	£000
	Business Support Grants	0
Care Workers Payments	0	(2)
Energy Support Scheme	(264)	0
Retail, Leisure and Hospitality Rate Relief	(770)	(1,552)
Winter Fuel Payments	0	0
Total	(1,034)	(2,217)

Transactions relating to these schemes have not been included in the Authority's Accounts.

The following table summarises the purpose of each grant or relief scheme, and the number of individuals or businesses supported.

Funding Administered on Behalf of Welsh Government: Purpose	2022/2023	2021/2022
	Number of Businesses/ Individuals Supported	Number of Businesses/ Individuals Supported
Business Support Grants	0	734
<i>Grants were payable to business of specific types (including retail, hospitality and leisure) that were liable for non-domestic rates, and also for businesses that were forced to close or were materially impacted by the restrictions in place during lockdowns.</i>		
Self Isolation Payments	2,106	3,924
<i>Payments of £500 were issued to people required to self isolate as a result of either contracting Covid-19 themselves or coming into contact with a person identified as carrying Covid-19.</i>		
SSP Enhancement Payments	256	255
<i>The statutory sick payment enhancement scheme provides funding to allow employers to pay eligible social care workers at full pay if they cannot work due to Covid-19.</i>		
Care Workers Payments	1,664	2,309
<i>Payments to Carers, announced by Welsh Government during the year as part of a nationwide scheme. 2022/23: £1,498 (2021/22: £500)</i>		
Cost of Living Scheme	29,600	0
<i>A £150 cost of living payment was made to all occupiers of properties that are in Band A, B, C and D to assist with rising costs of utility bills.</i>		
Freelancer Grants	0	43
<i>Grant provided to support freelance workers in cultural and creative sectors.</i>		
Ukraine Resettlement Scheme	98	0
<i>To provide support for hosting accommodation for Ukraine Refugees £350 per month and £200 initial support payments.</i>		
Unpaid Carers Scheme	1,424	0
<i>Grant to provide financial support payment of £500 to unpaid carers.</i>		
Retail, Leisure and Hospitality Rate Relief	152	317
<i>To provide support for eligible properties by offering a discount of 100% on the non-domestic rates bill for 2021/2022 and 2022/2023.</i>		
Winter Fuel Support Scheme	9,867	5,511
<i>To provide support to eligible households towards paying winter fuel costs.</i>		

12. Partnership Schemes Under Section 33 of the NHS (Wales) Act 2006

12.1 The Gwent Wide Integrated Community Equipment Service (GWICES)

The Gwent Wide Integrated Community Equipment Service is an agreement for the provision of an efficient and effective integrated community equipment service to users who are resident in the partner localities. This agreement came into effect on 1 October 2008.

12.2 The Gwent Frailty Programme

The Gwent Frailty Programme is an agreement for the delivery of a range of services to avoid hospital admissions, facilitate early discharge and help individuals remain "happily independent". The Community Resource Teams provide integrated urgent response, re-ablement and falls services within each locality in line with agreed Locality Annual Commissioning Plans. This agreement came into effect on 4 April 2011.

12.3 The Gwent Care Home Accommodation Functions Pooled Fund

The Gwent Care Home Accommodation Functions Pooled Fund is an agreement for the provision of efficient and effective Care Home functions reflecting locally agreed priorities for older people who are assessed as in need of such care. The arrangement came into effect on 1 April 2018.

The Authority's transactions in relation to these partnership schemes are included in the Social Services Portfolio line of the CIES. Summarised transactions for the financial year ending 31 March 2023 were as follows.

Partnership Schemes:	2022/2023				2021/2022			
	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000	GWICES £000	Gwent Frailty £000	Care Homes £000	Total £000
Total Expenditure	3,940	16,447	118,709	139,096	4,991	16,109	99,844	120,944
Funding								
Blaenau Gwent County Borough Council	(164)	(599)	(8,185)	(8,948)	(480)	(610)	(6,953)	(8,043)
Caerphilly County Borough Council	(503)	(2,264)	(26,919)	(29,686)	(534)	(2,101)	(22,762)	(25,397)
Monmouthshire County Borough Council	(322)	(1,469)	(10,828)	(12,619)	(419)	(1,456)	(9,420)	(11,295)
Newport City Council	(334)	(1,891)	(23,144)	(25,369)	(414)	(1,824)	(18,629)	(20,867)
Torfaen County Borough Council	(1,195)	(805)	(13,070)	(15,070)	(1,700)	(783)	(10,670)	(13,153)
Aneurin Bevan University Health Board	(865)	(9,493)	(36,563)	(46,921)	(1,040)	(9,213)	(31,410)	(41,663)
Other	(557)	0	0	(557)	(404)	0	0	(404)
Total Funding	(3,940)	(16,521)	(118,709)	(139,170)	(4,991)	(15,987)	(99,844)	(120,822)
Net In-Year (Under)/Overspend	0	(74)	0	(74)	0	122	0	122
Balance Brought Forward	0	(382)	0	(382)	0	(504)	0	(504)
Balance Carried Forward	0	(456)	0	(456)	0	(382)	0	(382)

13. Members' Allowances

The total amount of allowances and expenses paid to Members during the year was £709,294 (2021/2022: £760,761), analysed as follows:

Members' Allowances	2022/2023 £000	2021/2022 £000
Allowances	709	761
Expenses	0	0
Total:	709	761

Within the allowances above are payments in 2022/2023 of £3,335 (£18,345 in 2021/2022) made to Members nominated to serve as Directors on the Board of Silent Valley Waste Services Ltd.. These costs are reimbursed by the Company.

14. Officers' Remuneration

14.1 The number of employees whose remuneration, including termination benefits but excluding employer pension contributions, was £60,000 or more, was:

Officers Emoluments	2022/2023					2021/2022				
	Teaching	Other	Total	Left During Year	Total excluding leavers	Teaching	Other	Total	Left During Year	Total excluding leavers
Remuneration Band										
£60,000 - £64,999	9	4	13	0	13	13	2	15	0	15
£65,000 - £69,999	10	2	12	0	12	5	3	8	1	7
£70,000 - £74,999	4	2	6	0	6	6	3	9	0	9
£75,000 - £79,999	6	1	7	0	7	2	0	2	0	2
£80,000 - £84,999	2	3	5	0	5	0	2	2	0	2
£85,000 - £89,999	0	0	0	0	0	2	1	3	0	3
£90,000 - £94,999	2	0	2	0	2	0	0	0	0	0
£95,000 - £99,999	0	0	0	0	0	0	0	0	0	0
£100,000 - £104,999	0	0	0	0	0	1	0	1	0	1
£105,000 - £109,999	0	0	0	0	0	2	0	2	0	2
Total	33	12	45	0	45	31	11	42	1	41

- Notes:
- 1) Employees that are included in the Senior Officers Remuneration disclosure have been excluded from the above table.
 - 2) Voluntary Aided School employees have been included in the above disclosure.
 - 3) In 2021/2022 an employee has been included who would otherwise have been excluded if it were not for one-off severance payments.

Further details of termination benefits can be found in notes 15-16 (pages 48-49).

14.2 Remuneration Ratio

For 2022/2023, the ratio of the Chief Executive's remuneration in comparison to the median remuneration of all the Authority's employees was as follows:

	2022/2023	2021/2022
Ratio of Managing Director pay to median pay of all staff	1.2.81	1:3.89

14.3 Senior Officers' Remuneration

The following table sets out the remuneration in 2022/2023 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2022/2023 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Chief Executive		106,350	0	0	0	106,350	26,056	132,406
Corporate Director of Education		91,664	0	0	0	91,664	22,458	114,122
Corporate Director of Regeneration & Community Services (to 31/05/22)	Note 1	15,304	0	58,278	0	73,582	3,750	77,332
Corporate Director of Regeneration & Community Services (from 03/10/22)	Note 1	42,244	0	0	0	42,244	10,350	52,594
Chief Officer (Resources)	Note 2	83,582	0	0	0	83,582	20,478	104,060
Chief Officer (Commercial)		79,876	0	0	0	79,876	19,570	99,446
Head of Governance & Partnerships	Note 3	71,074	0	0	0	71,074	17,413	88,487
Head of Legal & Corporate Compliance	Notes 2 & 3	73,092	0	0	0	73,092	17,908	91,000
Corporate Director of Social Services		85,406	0	0	0	85,406	20,924	106,330
Total		648,592	0	58,278	0	706,870	158,907	865,777

Note 1: The Corporate Director of Regeneration & Community Services post became vacant in May 2022, and was filled with effect from 3 October 2022.

Note 2: The following post holders also received payments in their roles as Returning Officer and Deputy Returning Officer: Head of Legal & Corporate Compliance £4,574 and Chief Officer (Resources) £662.

Note 3: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Chief Executive and are included in this disclosure on that basis.

The following table sets out the remuneration in 2021/2022 for senior officers (as defined by statute) whose salary for the year was between £60,000 and £150,000. There were no senior officers whose salary exceeded £150,000.

2021/2022 Post Title	Notes	Salary (including fees & allowances) £	Expense Allowances £	Compensation for Loss of Office £	Benefits in Kind £	Total Remuneration (excluding Pension Contributions) £	Employers Pension Contributions £	Total Remuneration (including Pension Contributions) £
Managing Director	Notes 1 & 2	111,055	0	0	0	111,055	26,098	137,153
Chief Executive (from 9 March 2022)	Note 1	6,367	0	0	0	6,367	1,496	7,863
Corporate Director of Education		87,658	0	0	0	87,658	20,600	108,258
Corporate Director of Regeneration & Community Services		91,826	0	0	0	91,826	21,579	113,405
Corporate Director of Social Services (to 8 March 2022)	Note 1	86,884	0	0	0	86,884	20,417	107,301
Chief Officer (Resources)	Note 2	79,799	0	0	0	79,799	18,753	98,552
Chief Officer (Commercial)	Note 2	77,557	0	0	0	77,557	18,226	95,783
Head of Governance & Partnerships (from 1 January 2022)	Notes 3 & 4	16,985	0	0	0	16,985	3,991	20,976
Head of Legal & Corporate Compliance	Note 4	71,167	0	0	0	71,167	16,724	87,891
Total		629,298	0	0	0	629,298	147,884	777,182

- Note 1: The employment of the Managing Director terminated on 31 March 2022. Further to the departure of the Managing Director, a temporary arrangement was established prior to a formal recruitment process to fill the post on a permanent basis, with the post redesignated as Chief Executive. The Corporate Director of Social Services was therefore 'acting up' as the Chief Executive with effect from the 9 March 2022.
- Note 2: The following post holders also received total payments in their roles as Returning Officer: Managing Director £10,840, Head of Legal & Corporate Compliance £4,240 and Chief Officer (Resources) £3,160.
- Note 3: The Head of Governance & Partnerships post remained vacant until 1 January 2022.
- Note 4: The Head of Governance & Partnerships and Head of Legal & Corporate Compliance report directly to the Managing Director and are included in this disclosure on that basis.

15. Termination Benefits and Exit Packages - Costs to Authority

The number and value of exit packages agreed by the Authority during the year were as follows:

Exit Package Cost Band	2022/2023		2021/2022	
	Exit Packages	Total Cost of Exit Packages	Exit Packages	Total Cost of Exit Packages
	Nº	£000	Nº	£000
£0-£19,999	42	190	42	292
£20,000-£39,999	5	150	3	67
£40,000-£219,999	2	287	2	165
Total	49	627	47	524

Note: Value bands have been combined in order to ensure that individual exit packages cannot be identified..

Employment contracts may be terminated for a variety of reasons, including redundancy and retirement. On termination, the Authority incurs a range of liabilities including redundancy payments, pension lump sum payments and enhancements (e.g. added years). In 2022/2023, the contracts of 49 employees were terminated, incurring total liabilities of £0.627m (2021/2022: 47 employees, incurring liabilities of £0.524m). These payments can be disaggregated as follows:

Termination Benefits & Exit Packages	2022/2023	2021/2022
	£000	£000
Pay in Lieu of Notice	188	170
Pension Costs	201	98
Redundancy Costs	90	166
Other Payments	148	90
Total	627	524

16. Termination Benefits and Exit Packages - Causes

The following were the significant causes of the termination benefits and exit packages:

Termination Benefits	2022/2023		2021/2022	
	No	£000	No	£000
Closure of Facilities / Cessation of Services	2	35	3	15
Financial Efficiency Project	2	223	10	109
Termination benefits arising for other reasons	45	369	34	400
Total	49	627	47	524

17. External Audit Fees

The Authority's appointed external auditors for the 2022/2023 financial year were Audit Wales (AW). The following fees were incurred in relation to external audit and inspection:

External Audit Fees	2022/2023	2021/2022	CIES Service Line
	£000	£000	
Fees payable in respect of:			
External audit services relating to audit of the accounts	206	198	<i>Corporate Services Portfolio</i>
External audit services relating to Local Government Measures	112	108	<i>Corporate Services Portfolio</i>
Certification of grant claims and returns	52	50	<i>Portfolio responsible for the specific grant claim or return</i>
Additional audit fees relating to audit of the accounts	50*	0	<i>Corporate Services Portfolio</i>
Total Audit Fees	420	356	

* Additional fees charged for the 2021/2022 audit of Accounts.

18. National Non-Domestic Rates

Non-Domestic Rates are collected by the Authority based on local rateable values multiplied by a uniform rate. The total amount collected, less certain reliefs and deductions, is paid to a central pool (the NNDR pool) managed by the Welsh Government, which in turn pays back to authorities their share of the pool based on a statutory formula. NNDR is accounted for on an agency basis, i.e. Blaenau Gwent as a billing Authority acts as an agent of the Welsh Government in collecting non-domestic rates. Transactions with non-domestic ratepayers are typically not revenue activities of the agent and have therefore been excluded from the accounting statements.

Summary information for the year is as follows:

- The total non-domestic rateable value at 31 March 2023 was £31,510,109 (31 March 2022: £31,699,309).
- The national non-domestic rate multiplier for the year 2022/2023 was 0.535 (2021/2022: 0.535).
- The contribution received from the NNDR pool in 2022/2023 was £25,180,442 (2021/2022: £22,334,402).

19. Council Tax

The Council Tax is a local tax based upon 'banded' property values. The Council Tax requirement for the Authority is calculated by taking the budget requirement and dividing by the tax base expressed as a number of equivalent Band D properties. To this amount is added the elements precepted by Gwent Constabulary and Community Councils.

19.1 The following transactions occurred during the financial year related to Council Tax:

Council Tax Transactions	2022/2023		2021/2022	
	£000	£000	£000	£000
Council Tax Collected	(45,433)		(45,004)	
Less: Impairment of bad & doubtful debts	757		732	
Net Total Proceeds from Council Tax		(44,676)		(44,272)
Less: Gwent Police Authority Precept	6,342		5,988	
Community Council Precepts:				
Abertillery & Llanhilleth Community Council	289		190	
Brynmawr Town Council	43		43	
Nantyglo & Blaina Town Council	85		85	
Tredegar Town Council	138		138	
		6,897		6,444
Council Tax attributable to this Authority:		(37,779)		(37,828)

19.2 Council Tax Base

The Council Tax base is calculated with reference to the number of effective properties (i.e. properties net of specific exemptions, reliefs and discounts) in each of 10 property valuation bands, multiplied by a ratio related to that valuation band. For 2022/2023 the tax base, expressed as equivalent band D properties, has been calculated as follows:

	Band										Total
	A*	A	B	C	D	E	F	G	H	I	
Properties	56.00	18,713.00	7,922.00	2,612.00	1,677.00	834.00	323.00	58.00	14.00	6.00	32,215.00
Exemptions, Reliefs & Discounts	(7.50)	(2,169.75)	(662.00)	(188.50)	(94.00)	(42.25)	(12.25)	(2.25)	(6.00)	(1.50)	(3,186.00)
Effective Properties	48.50	16,543.25	7,260.00	2,423.50	1,583.00	791.75	310.75	55.75	8.00	4.50	29,029.00
Ratio	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	21/9	-
Band D Equivalents	26.94	11,028.84	5,646.67	2,154.22	1,583.00	967.69	448.86	92.92	16.00	10.50	21,975.64
Impairment											(1,098.78)
Council Tax Base											20,876.86

20. Precepts & Demands

20.1 Precepting Authorities

Details of precepting bodies and amounts are included in note 19.1 (page 50).

20.2 Levies & Demands by Joint Committees and Other Bodies

A number of services are operated by joint committees or organisations that operate across the boundaries of individual councils, to which this Authority makes a contribution. The following levies and demands have been made of the Authority:

Levies & Demands	2022/2023	2021/2022
	£000	£000
Brecon Beacons National Park Authority	32	32
Coroners' Courts	175	116
South Wales Fire Authority	3,548	3,482
Total:	3,755	3,630

21. Grants and Contributions

Capital grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Capital Grants Credited to Services	2022/2023 £000	2021/2022 £000
Welsh Government	(1,279)	(1,062)
Other Grants & Contributions	(42)	(69)
Total:	(1,321)	(1,131)

Capital Grants Credited to taxation and non-specific grant income	2022/2023 £000	2021/2022 £000
Welsh European Funding Office	0	(69)
Welsh Government	(14,584)	(11,883)
Other Grants & Contributions	(945)	(647)
Total:	(15,529)	(12,599)

Revenue grants and contributions from the following awarding bodies were credited by the Authority to the Comprehensive Income and Expenditure Statement:

Revenue Grants Credited to Services	2022/2023 £000	2021/2022 £000
Welsh Government	(36,328)	(44,870)
Department for Work and Pensions	(20,656)	(19,831)
Other Central Government	(1,300)	(671)
Local Authorities	(2,614)	(2,408)
NHS	(873)	(919)
Other Grants & Contributions	(477)	(102)
Total:	(62,248)	(68,801)

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that may require the monies or property to be returned to the provider. The balances at the year-end, analysed by awarding body, are as follows:

Receipts in Advance - Capital	2022/2023 £000	2021/2022 £000
Welsh European Funding Office	0	0
Welsh Government	(3,178)	(2,348)
Other Central Government	(2,860)	(17)
Local Authorities	0	0
NHS	0	0
Other Grants & Contributions	(18)	0
Total	(6,056)	(2,365)

Receipts in Advance - Revenue	2022/2023 £000	2021/2022 £000
Welsh European Funding Office	(141)	(143)
Welsh Government	(1,262)	(1,952)
Other Central Government	(47)	(56)
Local Authorities	(155)	(1,728)
NHS	(3)	(3)
Other Grants & Contributions	(100)	(86)
Total	(1,708)	(3,968)

In 2022/2023 the Authority received grant funding from Welsh Government in relation to the Covid-19 pandemic. The following table summarises the purpose of each grant and the amount received or due.

Welsh Government Funding	2022/2023 £000	2021/2022 £000
Emergency Hardship Funding - Additional Costs	0	4,601
<i>To fund additional costs incurred in responding to the pandemic.</i>		
Emergency Hardship Funding - Loss of Income	0	915
<i>To compensate for a loss/reduction in income as a result of pandemic restrictions e.g. from closure of services.</i>		
Council Tax Income Collection - Compensation	0	493
<i>To compensate for reduction in collection of Council Tax income as a result of the pandemic.</i>		
Administration Costs	242	229
<i>Financial support to provide capacity in delivering Welsh Government support packages.</i>		
Free School Meals	664	637
<i>Financial support Free school meal eligible pupils during school holidays.</i>		
Business and Community Grants Administration Costs	0	378
<i>Financial support to provide capacity in delivering Covid-19 grants to businesses and the community..</i>		
Total	906	7,253

Grants due from Welsh Government have been credited to the appropriate service line in the Comprehensive Income & Expenditure Statement. Unhypothecated grants, i.e. those that do not relate to specific services, have been included in 'Taxation & Non-Specific Grant Income'.

Welsh Government Covid-19 Related Funding Applied to the Comprehensive Income & Expenditure Statement	2022/2023 £000	2021/2022 £000
Corporate Services	(142)	(460)
Education	(764)	(1,197)
Education - School Spending	0	(119)
Environment	0	(2,530)
Regeneration & Economic Development	0	0
Social Services	0	(2,454)
Net Expenditure on Continuing Operations	(906)	(6,760)
Taxation & Non-Specific Grant Income	0	(493)
(Surplus)/Deficit on the Provision of Services	(906)	(7,253)

22. Related Parties

22.1 Central Government

Central Government has effective control over the general operations of the Authority and provides the statutory framework within which the Authority operates, the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties. Details of the general and specific grants received in 2022/2023 can be found in note 21 (page 52); details of the amounts owed to or from central government are included in notes 34 (page 79) and 33 (pages 76-78) respectively.

22.2 Members

Related Party Disclosures for Members relate to all Councillors for the 2022/2023 financial year, including those prior to the Local Authority Elections in May 2023. For each related party, transactions reported are for the full 2022/2023 financial year, including where the relevant members were not re-elected in May 2023.

The following transactions related to elected members took place during the year, with associated balances due to or from the Authority at the year end:

Related Party & Relationship	Transaction Details	Year Ended 31 March 2023				Year Ended 31 March 2022			
		Transactions		Balances		Transactions		Balances	
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
		£	£	£	£	£	£	£	£
Blaenau Gwent & Caerphilly Care & Repair: A number of Members are trustees.	Payments for support for independent living, home adaptations and voluntary sector grants.	222,035	(16,125)	8,000	0	190,734	(16,078)	33,325	(332)
Blaina Community Centre: A Member of the Council is a Director of this organisation.	Grants, room hire and reimbursement of maintenance costs. Includes Covid-19 Recovery and NDR Grants in 2021/2022 totalling £15,338.	2,145	(885)	51	0	16,598	(859)	0	0
Brynmawr Market Hall Cinema: A Member of the Council is a Trustee of this organisation.	Cinema screenings, Kickstart Scheme. Includes £2,000 NDR Grant in 2021/2022.	3,686	(5,853)	0	(8,441)	18,414	(4,985)	716	(13,853)
Hodge Municipal Services: A Member of the Council is the proprietor of this business.	Maintenance of public toilets in Brynmawr and other supplies.	4,315	0	0	(186)	6,973	(180)	0	0
Jim Davies Civil Engineering Ltd.: A member of the Council is the brother-in-law of one of the Directors.	Capital works including: Carriageway resurfacing, remedial works & active travel footpath works.	673,343	0	55,187	0	428,215	0	176,562	0
JP Print & Signs: A member of the Council is the proprietor of this business.	Leaflets, Posters, Flyers and Window Stickers.	12,595	0	630	0	1,429	0	0	0
Total:		918,119	(22,863)	63,868	(8,627)	662,363	(22,102)	210,603	(14,185)

The following transactions related to elected members took place during the year, for which there were no associated balances due to or from the Authority at the year end:

Related Party	Related Party Relationship	Year Ended 31 March 2023		Year Ended 31 March 2022		Notes
		Amounts Paid by Authority	Amounts Received by Authority	Amounts Paid by Authority	Amounts Received by Authority	
		£	£	£	£	
Blaina Post Office	A Member of the Council is Post Master of this business.	0	(84)	0	(78)	Waste transfer.
Brynmawr Museum	A Member of the Council is a Director of the organisation.	1,362	(269)	682	(271)	Member Grants, Welsh Church Fund Grant, Ground Rent and Insurance Income.
Circle of Beauty	A Member of the Council is joint proprietor of the business.	0	0	2,139	0	Heritage Grant towards the development of the property.
Highfield Properties (Tredegar)	A Member of the Council is a Director of the organisation.	12,049	0	12,005	0	Tenants' Rent Allowances.
Pins & Things	A Member of the Council is the partner of the proprietor of the business.	0	0	2,000	0	Covid-19 NDR Grant.
Sirhowy Community Centre	A Member of the Council is a Director of the organisation.	14,326	0	10,510	0	Grants.
Wilkins Foot Clinic	A Member of the Council is the partner of the proprietor of the business.	0	0	2,000	0	Covid-19 NDR Grant.
Total:		27,737	(353)	29,336	(349)	

In summary, transactions and balances related to elected members were as follows:

	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Summary - Related Party Transactions and Balances								
Related Parties (with year end balances)	918,119	(22,863)	63,868	(8,627)	662,363	(22,102)	210,603	(14,185)
Related Parties (with no year end balances)	27,737	(353)	0	0	29,336	(349)	0	0
Total:	945,856	(23,216)	63,868	(8,627)	691,699	(22,451)	210,603	(14,185)

22.3 Silent Valley Waste Services Limited

The Authority is the sole shareholder of the waste disposal company Silent Valley Waste Services Limited (SVWS Ltd.). Two of the Authority's Elected Members are non-executive directors of the company. These Members are each receiving a 'senior salary' allowance, as the responsibility involved has been assessed to be of an equivalent level to a committee/scrutiny Chair.

The Authority's former Chief Executive was a director for the full year. As at 31 March 2023, the Authority effectively holds 67% of the board membership. The following related party transactions took place with SVWS Ltd. during the year:

	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Related Party Transactions								
Silent Valley Waste Services Ltd.:								
Collection of waste; management of civic amenity sites; haulage charges:								
Payments relating to current year	1,496,526	0	131,764	0	1,035,104	0	99,057	0
Payments relating to previous year	99,057	0	0	0	78,948	0	0	0
Other	15,646	0	0	0	2,978	0	0	0
Reimbursement of payments made to directors of SVWS Ltd.:								
Payments in respect of Nominated Representatives	0	(3,335)	0	(1,668)	0	(18,345)	0	(1,668)
Leachate	0	(110,000)	0	0	0	(110,000)	0	(110,000)
Supply and erect vehicle barrier and ancillary works at HWRC Ebbw Vale	0	0	0	0	0	(24,816)	0	0
Total (Silent Valley Waste Services Ltd.):	1,611,229	(113,335)	131,764	(1,668)	1,117,030	(153,161)	99,057	(111,668)

22.4 Education Achievement Service for South East Wales

The five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen have formed an Education Achievement Service (EAS) which is designed to raise education standards in South East Wales. The EAS is a separate legal entity, established as a company limited by guarantee, which is wholly owned by the five local authorities and operates on a not for profit basis. There is no lead authority, each being represented equally with a 20% interest and possessing equal voting rights. Services are commissioned from the EAS on behalf of the five local authorities.

The company board comprises the Director of the EAS and Elected Member representatives from the participating authorities.

In 2022/2023 total summarised transactions of the Service were as follows:

Education Achievement Service	2022/2023 £000	2021/2022 £000
Expenditure	6,812	6,286
Income	(6,960)	(6,294)
Net Expenditure	(148)	(8)

Related party transactions between the Authority and the EAS were:

Related Party Transactions	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
	£	£	£	£	£	£	£	£
Education Achievement Service:								
Partner contribution	350,046	0	0	(7,001)	351,805	0	0	0
Reimbursement of Clerks to Governors Fees	0	(11,847)	0	0	0	(23,210)	0	0
Total (Education Achievement Service):	350,046	(11,847)	0	(7,001)	351,805	(23,210)	0	0

22.5 Cardiff Capital Region City Deal

The Cardiff Capital Region City Deal is a joint arrangement involving the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent. The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Related party transactions between the Authority and the City Deal are as follows:

Related Party Transactions	Year Ended 31 March 2023				Year Ended 31 March 2022			
	Transactions		Balances		Transactions		Balances	
	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority	Amounts Paid by Authority	Amounts Received by Authority	Amounts Owed By Authority	Amounts Owed To Authority
£	£	£	£	£	£	£	£	
Cardiff Capital Region City Deal:								
Partner contribution to support the work of the Joint Cabinet	56,271	0	0	0	104,631	0	0	0
Contributions towards Capital Expenditure	0	0	0	0	0	0	0	0
Reimbursement of Seconded Post	0	0	0	0	0	(27,952)	0	0
Total (Cardiff Capital Region City Deal):	56,271	0	0	0	104,631	(27,952)	0	0

Movements in Reserves Notes

23. Other Comprehensive Income & Expenditure

The following unrealised gains or losses and pension remeasurement gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2022/2023	2021/2022
	£000	£000
(Surplus)/Deficit arising on the revaluation of non-current assets	(20,648)	(7,408)
Remeasurement of the net defined benefit pension liability	(237,700)	(76,461)
Other Comprehensive Income & Expenditure	(258,348)	(83,869)

24. Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure. These adjustments include transactions relating to depreciation and impairment, pensions provision, employee accruals, unequal pay and capital grants. The following transactions were made in 2022/2023:

	2022/2023			2021/2022		
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
Transactions between Funds & Usable Reserves:						
Capital grants & contributions unapplied credited to the Comprehensive Income & Expenditure Statement	3,134	0	(3,134)	4,424	0	(4,424)
Transfer of cash sale proceeds credited as part of the loss on disposal to the Comprehensive Income & Expenditure Statement	457	(457)	0	606	(606)	0
Contribution from the Capital Receipts Reserve towards funding of prudential borrowing schemes	(70)	70	0	(67)	67	0
Total: Transactions between Funds & Usable Reserves:	3,521	(387)	(3,134)	4,963	(539)	(4,424)

	2022/2023		2021/2022	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Transactions involving Unusable Reserves:				
Adjustments to/from the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(845)	845	105	(105)
Adjustments to/from the Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income & Expenditure Statement	(34,808)	34,808	(34,213)	34,213
Employer's pensions contributions and direct payments to pensioners payable in the year	15,771	(15,771)	14,155	(14,155)

	2022/2023		2021/2022	
	Council Fund Balance £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions				
Adjustments to/from Capital Adjustment Account:				
Reversal of items debited or credited to the Comprehensive Income & Expenditure Statement:				
Charges for depreciation & impairment of non-current assets	(16,159)	16,159	(5,355)	5,355
Revaluation losses on Property, Plant & Equipment	5,332	(5,332)	2,092	(2,092)
Capital grants & contributions applied	14,643	(14,643)	9,129	(9,129)
Revenue expenditure funded from capital under statute	(2,789)	2,789	(2,308)	2,308
Write Out of Infrastructure Loan Discount	0	0	(913)	913
Amounts of non-current assets written off on disposal or sale as part of the gain on disposal to the Comprehensive Income & Expenditure Statement	99	(99)	(1,696)	1,696
Adjustments to/from Deferred Capital Receipts Account:				
Adjustment to Deferred Capital Receipts on Revaluation of Assets Leased to Third Parties	0	0	496	(496)
Items not debited or credited to the Comprehensive Income & Expenditure Statement:				
Statutory provision for the financing of capital investment	1,744	(1,744)	1,057	(1,057)
Capital expenditure charged against the Council Fund	468	(468)	458	(458)
Adjustment to/from the Unequal Pay Back Pay Account				
Decrease in provision for back pay in relation to Equal Pay cases	0	0	0	0
Adjustment to/from the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	704	(704)	(241)	241
Total: Transactions between Funds & Unusable Reserves:	(15,840)	15,840	(17,234)	17,234

	2022/2023			2021/2022		
	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions						
<i>Transactions involving Other Capital Reserves:</i>						
Adjustments to/from the Deferred Capital Receipts Reserve:						
Transfer from Deferred Capital Receipts Reserve upon receipt of cash	(140)	0	140	(135)	0	135
Items involving Usable Capital Reserves:						
Application of grants to capital financing transferred to the Capital Adjustment Account	0	29,662	(29,662)	0	4,439	(4,439)
Use of the Capital Receipts Reserve to finance new capital expenditure	123	0	(123)	125	0	(125)
<i>Total: Other Capital Reserve Transactions:</i>	(17)	29,662	(29,645)	(10)	4,439	(4,429)

	2022/2023				2021/2022			
	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000	Council Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments between Accounting Basis and Funding Basis under Statutory Provisions								
Total: Transactions between Funds & Usable Reserves:	3,521	(387)	(3,134)	0	4,963	(539)	(4,424)	0
Total: Transactions involving Unusable Reserves:	(15,840)	0	0	15,840	(17,234)	0	0	17,234
Total: Other Capital Reserve Transactions:	0	(17)	29,662	(29,645)	0	(10)	4,439	(4,429)
Total Adjustments:	(12,319)	(404)	26,528	(13,805)	(12,271)	(549)	15	12,805

Balance Sheet Notes

25. Property Plant & Equipment

25.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

Property, Plant & Equipment	31 March 2023	31 March 2022
	£000	£000
Infrastructure Assets	89,958	92,312
Other PPE Assets	263,184	206,070
Net Book Value	353,142	298,382

25.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Net Book Value of Infrastructure Assets is as follows:

Infrastructure Assets	2022/2023	2021/2022
	£000	£000
Net Book Value at 1 April	92,312	92,700
Adjustment to Balances Brought Forward	0	785
Revised Net Book Value at 1 April	92,312	93,485
Additions	1,086	2,196
Capital expenditure written off	0	(98)
Other movements in cost or valuation	92	203
Depreciation Charge & Appropriations	(3,532)	(3,474)
Net Book Value at 31 March	89,958	92,312

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

25.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

Property, Plant & Equipment (Excluding Infrastructure)	31 March 2023	31 March 2022
	£000	£000
Gross Carrying Amount	281,307	221,153
Accumulated Depreciation	(18,123)	(15,083)
Net Book Value	263,184	206,070

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 63-64.

Movements in 2022/2023:

Property, Plant & Equipment (Excluding Infrastructure)						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Cost or Valuation as at 1 April 2022	178,672	18,429	106	3,061	20,885	221,153
Appropriations	6,511	0	0	(190)	(6,321)	0
Assets reclassified to/from held for sale	(140)	0	0	35	0	(105)
Additions	0	1,389	0	0	2,231	3,620
Revaluation increases/(decreases) recognised in the Revaluation Reserve	18,435	0	0	(139)	0	18,296
Revaluation increases/(decreases) recognised in the Provision of Services	(1,336)	0	0	117	0	(1,219)
Capital expenditure written off	0	0	0	0	0	0
Derecognition - disposals	0	0	0	(115)	0	(115)
Other movements in cost or valuation	1,815	263	0	0	37,599	39,677
Cost or Valuation as at 31 March 2023	203,957	20,081	106	2,769	54,394	281,307

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment						Total Property, Plant & Equipment
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	£000
Accumulated Depreciation & Impairment as at 1 April 2022	(3,915)	(11,139)	(14)	(15)	0	(15,083)
Depreciation Charge & Appropriations	(5,518)	(1,331)	0	12	0	(6,837)
Depreciation written out to the Revaluation Reserve	2,235	0	0	0	0	2,235
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,562	0	0	0	0	1,562
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2023	(5,636)	(12,470)	(14)	(3)	0	(18,123)

Movements in 2021/2022:

Property, Plant & Equipment	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000
Cost or Valuation as at 1 April 2021	174,338	16,831	51	4,261	13,308	208,789
Adjustment to Balances Brought Forward	(785)	0	0	0	0	(785)
Revised Cost or Valuation as at 1 April 2021	173,553	16,831	51	4,261	13,308	208,004
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	1,735	0	0	4,158	5,893
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,051	0	0	0	0	2,051
Revaluation increases/(decreases) recognised in the Provision of Services	2,676	0	0	0	0	2,676
Capital expenditure written off	(971)	(55)	(26)	0	0	(1,052)
Derecognition - disposals	0	0	0	0	0	0
Other movements in cost or valuation **	1,363	414	81	0	3,419	5,277
Cost or Valuation as at 31 March 2022	178,672	18,429	106	3,061	20,885	221,153

Property, Plant & Equipment: Depreciation & Impairment	Other Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000
Accumulated Depreciation & Impairment as at 1 April 2021	(8,988)	(12,156)	(14)	(13)	0	(21,171)
Adjustment to Balances Brought Forward	(200)	2,319	0	1	0	2,120
Revised Accumulated Depreciation & Impairment as at 1 April 2021	(9,188)	(9,837)	(14)	(12)	0	(19,051)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	4,777	0	0	0	0	4,777
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,154	0	0	0	0	4,154
Derecognition - disposals	0	0	0	0	0	0
Accumulated Depreciation & Impairment as at 31 March 2022	(3,915)	(11,139)	(14)	(15)	0	(15,083)

25.4 Fair Value Measurement of Surplus and Assets Held for Sale

Fair Value Hierarchy

Details of the Authority's surplus assets and assets held for sale and information about the fair value hierarchy are as follows:

	31 March 2023			31 March 2022		
	Surplus Assets £000	Assets Held for Sale £000	Total £000	Surplus Assets £000	Assets Held for Sale £000	Total £000
Recurring fair value measurements:						
Using significant unobservable inputs (Level 3)	2,767	0	2,767	3,016	60	3,076
Fair Value	2,767	0	2,767	3,016	60	3,076

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between levels of the fair value hierarchy during the year.

Valuation Techniques used to Determine Level 3 Fair Values for Surplus Assets

Significant Unobservable Inputs – Level 3

A combination of available market data derived from a mixture of transactions on both Authority-owned and third party assets is analysed to take into account yields, rates per square metre, build costs, etc. in order to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 *Fair Value Measurement*, depending on which technique is considered most appropriate.

There has been no change in the valuation techniques used during the year.

Highest and Best Use

In estimating the fair value of the Authority's surplus assets, the highest and best use of some of the assets is their current use. However for some assets, in considering alternative highest and best uses for the asset being valued, consideration has been given to value for the asset that may not necessarily be reflected in the existing configuration or use of the asset. In the consideration of alternatives the physical, legal and financial feasibility of that alternative has been taken into account.

Valuation Process

For 2022/2023, the Authority has engaged the services of Savills (UK) Limited to provide valuations and estimated useful lives for those assets requiring revaluation or re-living by 31 March 2023.

All valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy

Reconciliation of Fair Value Measurements (using Significant Unobservable Inputs) Categorised with Level 3 of the Fair Value Hierarchy	2022/2023			2021/2022		
	Surplus	Assets	Total	Surplus	Assets	Total
	Assets	Held for		Assets	Held for	
	£000	Sale £000	£000	£000	Sale £000	£000
Balance at 1 April:	3,016	60	3,076	4,188	70	4,258
Adjustment to Balances Brought Forward	30	0	30	31	(10)	21
Revised Balance at 1 April:	3,046	60	3,106	4,219	60	4,279
Appropriations (to)/from Property, Plant & Equipment Operational Assets	(177)	140	(37)	0	496	496
Appropriations (to)/from Assets Held for Sale	(80)	0	(80)	(1,200)	0	(1,200)
Appropriations (to)/from Surplus Assets	0	80	80	0	1,200	1,200
Total Gains/(Losses) for the period included in the Surplus or Deficit on the Provision of Services, resulting from changes in the fair value	117	0	117	0	(200)	(200)
Total Gains/(Losses) for the period included in the Revaluation Reserve resulting from changes in the fair value	(138)	0	(138)	0	0	0
Disposals	0	(280)	(280)	0	(1,496)	(1,496)
In-Year Depreciation	(1)	0	(1)	(3)	0	(3)
Balance at 31 March:	2,767	0	2,767	3,016	60	3,076

Reconciliation of Assets measured at Fair Value to the Balance Sheet

The carrying value of a number of assets held for sale is lower than (or equal to) the fair value of those assets. These have therefore been included on the Balance Sheet at carrying amount in accordance with the requirements of the Accounting Code of Practice and consequently are not included in the disclosures for assets held at fair value. The following table reconciles those assets held at fair value with those carried on the Balance Sheet:

Reconciliation of Assets measured at Fair Value	31 March 2023			31 March 2022		
	Surplus	Assets	Total	Surplus	Assets	Total
	Assets	Held		Assets	Held	
	£000	for Sale £000	£000	£000	for Sale £000	£000
Assets measured at Fair Value	2,767	0	2,767	3,016	60	3,076
Assets measured at carrying amount	0	0	0	30	0	30
Assets carried on Balance Sheet	2,767	0	2,767	3,046	60	3,106

25.5 Capital Commitments

Within the Authority's 2022/2023 capital programme, £65.065m relates to schemes that were contractually committed as at 31 March 2023 (£4.750m contractually committed as at 31 March 2022):

Capital Commitments	Commitment Value 2022/2023 £000	Estimated Timescale for Completion No of Years	Commitment Value 2021/2022 £000	Estimated Timescale for Completion No of Years
Ebbw Vale Rail Infrastructure Project	37,326	2	0	0
Glyncoed Primary School and Child Care Facility	10,754	2	0	0
Hive - Hi Value Engineering Centre	8,332	2	103	2
Regain 2	3,999	1	27	2
Abertillery Rail Spur	1,499	1	0	0
LTF Metro Plus	1,410	1	1,411	1
Highways Improvement Works	570	1	551	1
Welsh Medium School Provision - Tredegar	225	2	0	0
Innovation for Decarbonisation - WBRID	159	1	159	1
Lime Avenue Development	140	1	187	1
Social Services	107	1	37	1
Active Travel	106	1	0	0
21st Century Schools - Band B Projects	51	1	93	4
Augusta House - Enablement Pods	40	1	491	1
Household Waste Recycling Centre	30	1	158	1
Remedial Works at Newtown Bridge, Ebbw Vale	24	1	756	1
Flying Start Projects	8	1	129	1
Schools Maintenance	6	1	80	1
Flood Damage 2020	0	0	90	1
Other*	279	1	478	1
Total	65,065		4,750	

Other: Includes outstanding retentions on infrastructure & regeneration projects and various other scheme commitments.*

25.6 Revaluations

The Authority has adopted a rolling programme of revaluations to ensure that all assets are revalued at intervals of not more than 5 years. In 2022/2023, the range of assets were revalued by the Authority's appointed valuers, Savills (UK) Limited.

Valuations were carried out using the bases outlined in the Accounting Policies (pages 28-29), in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors and resulted in an increase in the gross value of the Authority's non-current assets of £17.077 million.

All items of Property, Plant and Equipment that are operational and provide service potential to the Authority are measured for their service potential either at Existing Use Value (EUV) or Depreciated replacement Cost (DRC). These measurement bases are described in the Code as Current Value. Current Value is to be interpreted as the amount that would be paid for the asset in its existing use. This requirement is met by providing a valuation on the basis of EUV in accordance with UKVS 1.3 or by adopting the DRC approach in accordance with UKVS 1.15 and UKGN 2 of the "Red Book".

Property, Plant and Equipment that does not provide service potential for the Authority (that is those assets classified as surplus assets) are not measured for their service potential but for the economic benefits inherent in the assets. Therefore the current value measurement base for these assets is at Fair Value in accordance with the definitions and measurement requirements in IFRS13.

All assets subject to revaluation during 2022/2023, along with an asset from each different class of asset, have been assessed for material components. The revaluations of those components, where considered to be material, are included in the figures below.

The effective date of revaluation is 31 March 2023.

The following statement shows the total gross value of assets during each financial year which were re-valued using historical cost and current valuation methods, or against which expenditure was incurred. This provides an indication of the progress of the Authority's 5-year rolling programme for the revaluation of fixed assets.

	31 March 2023 £000	31 March 2022 £000	31 March 2021 £000	31 March 2020 £000	31 March 2019 £000	Total £000
Non-Current Asset Valuations						
Current Value:						
Heritage Assets	0	727	600	532	0	1,859
Other Land & Buildings	58,050	136,441	118,626	79,326	29,836	422,279
Community Assets	0	0	256	0	0	256
	58,050	137,168	119,482	79,858	29,836	424,394
Historic Cost:						
Vehicles Plant & Equipment	0	0	0	5	86	91
	0	0	0	5	86	91
Total cost or valuation:	58,050	137,168	119,482	79,863	29,922	424,485

25.7 Capital Expenditure and Financing

Of the £47.849m capital investment made in 2022/2023, £43.378m was financed in-year through government grants, revenue contributions, and the application of capital receipts. The remaining £3.880m capital financing requirement has been funded through borrowing, as indicated below:

Capital Expenditure & Financing	2022/2023 £000	2021/2022 £000
Capital Investment: Property, Plant & Equipment	45,060	12,953
REFCUS	2,789	2,308
	47,849	15,261
Sources of Finance:		
Revenue Provision	(468)	(458)
Capital Receipts	(123)	(57)
Government Grants & Other Contributions	(43,378)	(13,745)
	(43,969)	(14,260)
Increase in capital financing requirement:	3,880	1,001
Explanation of in-year movements:		
Borrowing Supported by Government Financial Assistance	1,736	972
Borrowing Unsupported by Government Financial Assistance	2,144	29
Total Borrowing:	3,880	1,001

26. Heritage Assets

The Authority owns the following heritage assets, preserved principally for their contribution to knowledge and culture:

Heritage Assets (On Balance Sheet)	Estimated Cost/Valuation £000
<i>The Guardian, Six Bells</i>	379
'Guardian' is the largest mining memorial in Wales and commemorates the 1960 Six Bells mining disaster in which 45 men and boys lost their lives in an underground gas and coal dust explosion. The memorial is a 12.6 meter high statue of a miner, constructed from over 20,000 individual slices of 10mm thick steel and stands on a 7.4 meter high sandstone plinth.	
<i>Ebbw Vale War Memorial</i>	225
Unveiled September 24th 1924 by Sir Frederick Mills. Listed as an unusually elaborate war memorial, in a prominent setting.	
<i>Civic Regalia</i>	122
Comprising the Mayoral Chain, Mayoress Chain and Civic Mace.	
Total Value:	726

These monuments have been valued on an insurance replacement cost basis and are not depreciated as their useful life is deemed to be indefinite.

The following assets meet the definition of 'heritage assets', but have not been included on the Authority's Balance Sheet:

Heritage Assets (Not Reported on Balance Sheet)	Description	Valuation
Aneurin Bevan Stones	This monument commemorates Aneurin Bevan, born in Tredegar in 1897 and elected M.P. for the area in 1929. The central monolith represents Aneurin Bevan himself, whilst three satellite stones represents his constituents in Ebbw Vale, Tredegar and Rhymney.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Clydach Coal Level	A pair of well preserved and dated coal levels with a tramroad connection to the Clydach Railroad.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ebbw Vale Furnace Bank (aka 45 Yard)	Listed as an extremely scarce survival of a vast furnace bank, begun in the late 18th century, preserved largely intact. In size, only the furnace bank at Cyfarthfa may be a larger contemporary survival nationally and internationally.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Gorsedd Stones, Ebbw Vale	Originally erected at Ebbw Vale Park in June 1957 for the National Eisteddfod of 1958, the stone circle was later moved to its present location opposite the Civic Centre.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Llandafal Colliery Ventilation Furnace	This ventilation furnace probably dates from mining developments in the 1840s or 1850s. Listed as an early air furnace colliery chimney, the only one of this typical form known to survive in South Wales.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Marine Colliery Pumping Engine	A steam pumping engine built by Hathorn Davey of Leeds in 1893 and formerly used at Marine Colliery. Regarded as of national importance as a rare colliery pumping engine surviving intact from the late 19th century.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks	The impressive remains at Sirhowy Ironworks is the only 18th century ironworking complex still visible in the County Borough.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Sirhowy Ironworks Boundary Stone	Dated 1818 and erected as boundary stone for Sirhowy Ironworks. Listed as a rare survival of an early 19th century industrial boundary stone with unusual history.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.
Ty Mawr, Nantyglo House	Only the foundations remain of the Ty Mawr mansion house built by the Bailey family in 1816, close to the Roundhouse Towers in Nantyglo.	No cost or valuation information is available for this asset and the cost of obtaining a valuation is likely to be prohibitive compared to the value.

A number of other assets, including the Ebbw Vale Works General Offices, St. Illtyd's Church, Llanhilleth Miners' Institute and Newtown Bridge, are regarded as being operational in nature and have therefore not been included as heritage assets, but are included within appropriate Balance Sheet asset classifications.

27. Leases

27.1 Authority as Lessee - Finance Leases

The Council has acquired a number of assets under finance leases, the net value of which total £0.110m (2021/2022: £0.139m). The assets acquired under these leases are carried as Property, Plant and Equipment in the Balance Sheet. The Authority is committed to making minimum payments under these leases comprising settlement of the non-current liability for the asset acquired by the Authority and finance costs that will be payable by the Authority in future years while the liability remains outstanding. The minimum lease payments required over a period of not more than 5 years total £0.673m (2021/2022: £0.474m).

27.2 Authority as Lessee - Operating Leases

The Authority has acquired various vehicles and equipment by entering into operating leases, with typical lives of 5 years. The minimum lease payments at 31 March 2023 due under non-cancellable leases in future years are:

Operating Lease Minimum Payments	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Not later than one year	30	218	106	248
Later than 1 year and not later than 5 years	44	278	71	476
Later than 5 years	0	820	12	840
Total Minimum Lease Payments	74	1,316	189	1,564

Charges to service revenue accounts in the Comprehensive Income and Expenditure Statement during the year in relation to these leases totalled £0.380m (2021/2022: £0.362m).

No balances are held on the Balance Sheet in relation to Operating Leases

27.3 Authority as Lessor - Finance Leases

The Authority has 2 finance lease arrangements as a lessor:

- In 2011/2012, the Authority entered into a 50 year arrangement to lease part of the General Offices building in Ebbw Vale to the Gwent Joint Records Committee hosted by Torfaen CBC, for housing of the Gwent County Archives facility.

- In 2021/2022, the Authority entered into a 7 year lease arrangement with Aneurin Leisure Trust in relation to equipment.

The Authority has a gross investment in the leases, made up of the minimum lease payments expected to be received over the remaining lease term.

The gross investment in the leases relating to these assets is made up as follows:

Finance Lease Debtor	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Current	70	74	69	70
Non-Current	289	2,640	358	2,714
Unguaranteed Residual Value of Property	0	(450)	0	(450)
Total	359	2,264	427	2,334

Finance Leases - Lessor	Gross Investment in Lease			
	31 March 2023		31 March 2022	
	Vehicles, plant & equipment	Other land & buildings	Vehicles, plant & equipment	Other land & buildings
	£000	£000	£000	£000
Not later than one year	70	74	69	70
Later than 1 year and not later than 5 years	289	338	285	321
Later than 5 years	0	1,852	73	1,943
Total	359	2,264	427	2,334

The gross investment in the leases and the minimum lease payments will be received over the following periods:

	Minimum Lease Payments			
	31 March 2023		31 March 2022	
	Vehicles, plant & equipment £000	Other land & buildings £000	Vehicles, plant & equipment £000	Other land & buildings £000
Finance Leases - Lessor				
Not later than one year	74	216	74	216
Later than 1 year and not later than 5 years	297	865	297	866
Later than 5 years	0	4,004	74	4,220
Total	371	5,085	445	5,302

27.4 Authority as Lessor - Operating Leases

The Authority leases out land and buildings under operating leases. The minimum lease payments receivable under non-cancellable leases in future years are £3.038m (2021/2022: £3.112m).

	31 March 2023	31 March 2022
	Other land & buildings £000	Other land & buildings £000
Operating Lease Minimum Payments Receivable		
Not later than one year	793	745
Later than 1 year and not later than 5 years	1,505	1,638
Later than 5 years	740	729
Total Minimum Lease Payments Receivable	3,038	3,112

28. Non-Current Investments

Non-current investments consist of the Authority's 100% shareholding in Silent Valley Waste Services Ltd. and a proportion of the equity shareholding made by the Cardiff Capital Region City Deal in Pharmatelligence Ltd.. The value of these shareholdings included in the Authority's Balance Sheet at 31 March 2023 was £0.657m (31 March 2022: £0.342m).

28.1 Silent Valley Waste Services Ltd. (SVWS)

The Authority is the owner of the Local Authority waste disposal company - Silent Valley Waste Services Ltd.. The Authority is the sole shareholder, providing £250,000 share capital of 1,000 ordinary shares and 249,000 redeemable shares of £1 each. The latter are redeemable at the sole option of the Authority. The company was established in 1994 in accordance with Part V of the Local Government and Housing Act 1989.

In 2011 the Environment Agency (Wales) issued a closure notice for the landfill site at Cwm, Ebbw Vale. On 22 August 2011 the site stopped accepting waste to landfill. Silent Valley Waste Service Ltd. continues to manage the Waste Transfer Station and the associated bulking and transportation of the Authority's waste at this facility, the Authority's Civic Amenity Site and the operations at the Leachate Lagoon.

At 31 March 2023 the company had three registered directors. Two Elected Members of Blaenau Gwent CBC were appointed as non-executive directors, one with effect from 19 March 2018 and one with effect from 1 June 2019; one of these resigned on 2 April 2020 and was replaced with another Elected Member with effect from that date. These two Elected Members resigned and were replaced on 7 June 2022.

One of the stated purposes of a board restructure in 2012 was for the Authority to take control of activities at Silent Valley Waste Services, and consequently the Authority is required to prepare Group Accounting statements. These have been included on pages 113-132, based on the company's 2022/2023 Accounts as approved by the Silent Valley Board on 31 July 2023.

In December 2017, the Council made the decision to bring back in-house the services delivered by Silent Valley Waste Services Limited. Following extensive due diligence the transfer process commenced with a target date of 31 January 2023. Due to a delay in obtaining the required environmental and operational permits, the Company's employees and activities could not be transferred to the Council until 1 May 2023. On that date the Company ceased trading and the Council assumed responsibility for all of the Company's assets and liabilities.

The Company's Accounts and further information can be obtained from:

Beechwood House, Cwm, Ebbw Vale, Gwent NP23 6PZ.

28.2 City Deal - Investment in Pharmatelligence Ltd.

During 2020/2021, the Cardiff Capital Region City Deal made a £2million equity investment in Pharmatelligence, a healthcare data consultancy providing expert, independent, real-world evidence for healthcare services and the pharmaceutical industry. The investment represented a stake in the company of approximately 16.6% and Blaenau Gwent's proportion, equating to £92,395, has been included on the Balance Sheet at cost.

29. **Non-Current Debtors**

Non-current debtors in the balance sheet consist of the following:

Non-Current Debtors	31 March 2023				31 March 2022			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Non-Current Debtors £000
Local Authorities	2,640	0	0	2,640	2,714	0	0	2,714
Other Entities & Individuals	1,392	(142)	99	1,349	1,414	(88)	32	1,358
Total	4,032	(142)	99	3,989	4,128	(88)	32	4,072

Impairment of Non-Current Debtors

Non-current debtor balances have been reduced to reflect sums that have not been written off but are considered to be potentially irrecoverable. Impairment allowance accounts have been established for the following debtors.

Impairment of Non-Current Debtors	31 March 2023			31 March 2022		
	Gross Debtor £000	Impairment £000	Net Debtor £000	Gross Debtor £000	Impairment £000	Net Debtor £000
Land & Property Charges	187	(142)	45	121	(88)	33
Total	187	(142)	45	121	(88)	33

30. Consolidation of Schools in Single Entity Accounts

The income, expenditure, assets, liabilities, reserves and cash flows of schools are accounted for in accordance with the prescribed treatment in the Accounting Code of Practice as set out in the Authority's accounting policies (*see policy 1.20, page 31*). The value of school assets included in the Balance Sheet is as follows:

Value of School Assets	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Land & Buildings	96,125	0	4,483	100,608	86,817	0	3,724	90,541

The net valuation of school non-current assets increased by £10.067m during 2022/2023 as a result of the revaluation of specific school assets by the appointed external valuer.

The Authority has the following types of maintained schools under its control:

Analysis of School by Type	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
Primary Schools	15	4	0	19	15	4	0	19
Middle Schools	2	0	0	2	2	0	0	2
Secondary Schools	1	0	1	2	1	0	1	2
Special Schools	2	0	0	2	2	0	0	2
Total	20	4	1	25	20	4	1	25

For those maintained schools not controlled by the Authority, any transactions made on their behalf have been included in the Comprehensive Income & Expenditure Statement and related notes under the appropriate Portfolio, or exceptionally as third party payments.

During the year, transactions in relation to school entities resulted in the following surpluses or deficits:

School Transactions - In-Year (Surplus)/Deficit	2022/2023				2021/2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	870	108	0	978	(1,060)	(167)	0	(1,227)
Middle Schools	189	0	0	189	(1,112)	0	0	(1,112)
Secondary Schools	(19)	0	309	290	29	0	(184)	(155)
Special Schools	(49)	0	0	(49)	(53)	0	0	(53)
Total In-Year (Surplus)/Deficit	991	108	309	1,408	(2,196)	(167)	(184)	(2,547)

The following balances were held by schools at the end of the financial year:

School Balances	31 March 2023				31 March 2022			
	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total	Community Schools	Voluntary Controlled & Aided Schools	Foundation Schools	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Primary Schools	(2,435)	(558)	0	(2,993)	(3,305)	(666)	0	(3,971)
Middle Schools	(663)	0	0	(663)	(852)	0	0	(852)
Secondary Schools	(372)	0	(303)	(675)	(353)	0	(612)	(965)
Special Schools	(489)	0	0	(489)	(440)	0	0	(440)
Total	(3,959)	(558)	(303)	(4,820)	(4,950)	(666)	(612)	(6,228)

31. Current Investments

At 31 March 2023, the Authority had placed £12.065m of investments with other local authorities that were not due to be repaid within 90 days (2021/2022: £21.0m). These have therefore been classified as current investments.

32. Inventories

The Authority held stock balances valued at £1.004m at 31 March 2023, largely comprised of donated Lateral Flow Tests and Personal Protective Equipment:

Inventories	Balance at 1 April 2021 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2022 £000	Donations & Purchases £000	Recognised as an expense in the year £000	Written Off £000	Balance at 31 March 2023 £000
General Stock	353	672	(712)	0	313	1,167	(1,091)	0	389
Donated Stock: Lateral Flow Tests	0	1,421	(111)	0	1,310	0	(337)	(554)	419
Donated Stock: Personal Protective Equipment	864	370	(432)	0	802	54	(660)	0	196
Total	1,217	2,463	(1,255)	0	2,425	1,221	(2,088)	(554)	1,004

33. Current Debtors

Amounts owing to the Authority, net of impairment, were as follows:

Current Debtors	31 March 2023				31 March 2022			
	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000	Gross Debtors £000	Impairment £000	Prepayments £000	Total Net Current Debtors £000
Welsh Government	20,096	0	0	20,096	17,000	0	0	17,000
Other Central Government	5,850	0	0	5,850	4,300	0	0	4,300
Local Authorities	3,391	(97)	0	3,294	2,653	(55)	0	2,598
NHS	2,002	(58)	0	1,944	1,700	(50)	0	1,650
Council Tax Arrears	8,184	(3,368)	0	4,816	7,677	(3,068)	0	4,609
Other Entities and Individuals	5,593	(1,611)	453	4,435	4,163	(1,437)	414	3,140
Trade	654	(369)	65	350	1,270	(463)	254	1,061
Total	45,770	(5,503)	518	40,785	38,763	(5,073)	668	34,358

Impairment of Current Debtors

Current debtor balances have been reduced to account for sums that have not been written off but are potentially irrecoverable. For those debtors falling within the scope of IFRS9, the 'Simplified Approach' has been applied under which impairment losses are automatically based on lifetime expected credit losses.

The Authority has also established impairment allowances for debtors falling outside of the scope of IFRS9, notably council tax arrears and housing benefit overpayments.

Impairment of Current Debtors	31 March 2023			31 March 2022		
	Gross Debtor	Impairment	Net Debtor	Gross Debtor	Impairment	Net Debtor
	£000	£000	£000	£000	£000	£000
<i>Impairment of Debtors within the scope of IFRS 9:</i>						
Land & Property Charges	288	(219)	69	313	(229)	84
Trade Debtors	373	(369)	4	723	(463)	260
Debtors related to Sales, Fees & charges	1,084	(488)	596	628	(314)	314
<i>Impairment of Debtors outside of the scope of IFRS 9:</i>						
Council Tax	8,184	(3,368)	4,816	7,677	(3,068)	4,609
Housing Benefits	1,168	(500)	668	1,183	(512)	671
Public Sector Bodies	2,857	(155)	2,702	2,315	(104)	2,211
Other Debtors	468	(404)	64	520	(383)	137
Total	14,422	(5,503)	8,919	13,359	(5,073)	8,286

Basis of Impairment of Current Debtors outside of the scope of IFRS9:

Council Tax

All Council Tax debts are considered to have fallen due by the 31 March in the financial year to which they relate. In determining whether these debts should be impaired, the Authority has taken into account any known specific circumstance in relation to individual debtors that would have a bearing on the ability or potential for settlement of the debt, e.g. bankruptcy, insolvency or absconding. In these specific cases, the debt is considered as unlikely to be recovered at that point in time and is impaired at 100% of the amount outstanding. For all other cases, the age of the debt is used to determine the level of impairment, ranging from 5% for those amounts less than 1 year overdue to 100% for amounts over 5 years overdue.

Housing Benefits

The simplified approach has been adopted to impairment of Housing Benefit Overpayments, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Public Sector Bodies

Where identified, debtors in relation to other public sector bodies are not impaired on the assumption that recovery will be made in full. Exceptionally, impairment is provided in cases where specific information indicates that the debt may not be fully settled.

Other Debtors

The simplified approach has been adopted to impairment of Other Debtors, with expected lifetime losses calculated using a probability matrix based on the age of debt outstanding and an assessment of the possibility of default occurring.

Impact of Covid-19

Where impairment has been calculated using a probability matrix, the assessment of the possibility of debtor default has been assumed to be higher than in 2019/2020 as a result of Covid-19 related impacts on individuals and businesses. This has increased the level of impairment included in the accounts.

Impairment of Debtors Outside of the Scope of IFRS9	31 March 2023						31 March 2022						
	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	Council Tax	Housing Benefit	Public Sector Bodies	Other Debtors	Total Debtors Outside Scope	Impairment	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
<i>Category of debtor:</i>													
General Arrears < 1 year old	2,657	145	614	128	3,544	(254)	2,767	72	665	111	3,615	(243)	
General Arrears > 1 year <5 years old	4,519	523	178	187	5,407	(2,715)	3,836	689	67	264	4,856	(2,366)	
General Arrears > 5 years old	851	500	3	170	1,524	(1,325)	652	440	5	184	1,281	(1,087)	
Absconders	61	0	0	0	61	(61)	216	0	0	0	216	(216)	
Bankruptcy/Liquidation/Insolvency	58	0	0	0	58	(58)	71	0	0	0	71	(71)	
Other	7	0	0	7	14	(14)	73	0	0	7	80	(80)	
Arrears not impaired	31	0	2,062	(24)	2,069	0	62	(18)	1,578	(46)	1,576	(4)	
Total	8,184	1,168	2,857	468	12,677	(4,427)	7,677	1,183	2,315	520	11,695	(4,067)	

34. Current Creditors

Amounts owed by the Authority were as follows:

Current Creditors	31 March 2023			31 March 2022		
	Creditors £000	Receipts in Advance £000	Total Current Creditors £000	Creditors £000	Receipts in Advance £000	Total Current Creditors £000
Welsh Government	(274)	0	(274)	(88)	0	(88)
Other Central Government	(692)	(8)	(700)	(1,429)	0	(1,429)
Local Authorities	(944)	(98)	(1,042)	(1,152)	(72)	(1,224)
NHS	(270)	0	(270)	(395)	0	(395)
Capital Creditors	(2,434)	0	(2,434)	(4,527)	0	(4,527)
Council Tax Credits	(1,135)	0	(1,135)	(946)	0	(946)
Other Entities and Individuals	(9,080)	(370)	(9,450)	(9,691)	(339)	(10,030)
Trade	(2,332)	0	(2,332)	(3,679)	0	(3,679)
Total	(17,161)	(476)	(17,637)	(21,907)	(411)	(22,318)

35. Provisions, Contingent Liabilities and Contingent Assets

35.1 Provisions - Purpose

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. The purpose of each provision, categorised as 'Employee-related' or 'Other', is as follows:

Employee-Related Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Early Terminations	To provide for known sums in relation to early terminations where these had been approved prior to the end of the financial year.	Redundancy payments expected to be settled in 2023/2024.	The provision for early terminations comprises the known value of redundancy payments occurring after 31 March 2023 for which a legal or constructive obligation existed at that date. This obligation may have been through approval of the individual redundancies or through a decision that has a material impact on the structure or functions of the Authority. It is assumed that all employees included within the provision will have left during the next financial year.

Other Provisions:

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Insurance	To provide for known insurance liabilities, including sums relating to the Municipal Mutual Insurance Scheme of Arrangement originally established in 1994 under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006).	To be utilised from 2023/2024 on settlement of claims.	The amount and timing of settlement of insurance claims are inherently uncertain. It has been assumed that the timing and value of the settlement of future claims will be similar to known claims history. As the majority of known claims fall below the Authority's excess level(s) there is not expected to be any significant reimbursement by the Authority's insurers. In November 2012 the Directors and Board of Municipal Mutual Insurance agreed to the irrevocable triggering of the Scheme of Arrangement in order to avoid insolvent liquidation. As a result, the Authority has included £0.001m in the Insurance Provision, set at 25% of total outstanding claims. In addition, £0.027m has been included in respect of MMI claims for the former Gwent County Council.

Other Provisions (Continued):

Provision	Purpose	Timescale for Utilisation	Uncertainties, Assumptions and Potential Reimbursement
Lease Dilapidation	To provide for works to three leased assets (Anvil Court, Ebbw Vale Multi-Storey Car Park, and 20 Church Street) to return the assets to their condition as at the inception of the respective lease agreements.	Ebbw Vale Multi-Storey Car Park: ending in 2070. Anvil Court: ending in 2026. 20 Church Street: 2023/2024.	Sums provided are for estimated costs to restore leased assets to original condition. No allowance has been made for improvement works undertaken that may be retained by the lessor.
Part 1 Land Compensation Claims	To provide for claims under Part 1 of the Land Compensation Act 1973 in relation to depreciation of the value of an interest in land by physical factors caused by the use of public works.	There is uncertainty with regards to the timescale for agreement.	The sum provided is an estimate based on total proposed settlements, but is subject to change. Additional claims could become payable in respect of a number of other public works in the County Borough. It is assumed that all settlements will be as offered and no reimbursements will be expected. This provision has been reversed as the Authority is no longer exposed to liabilities in relation to the majority of schemes that were originally included.

35.2 Provisions - Movements

Movements in employee-related and other provisions during 2022/2023 were as follows:

	Balance at 1 April 2022 £000	Amounts Used in 2022/2023 £000	Unused Amounts Reversed in 2022/2023 £000	Additional Provisions made in 2022/2023 £000	Balance at 31 March 2023 £000
Provision Movements					
Current Provisions					
Employee Provisions:					
Early Terminations	(55)	55	0	(2)	(2)
<i>Total Current Employee Provisions:</i>	(55)	55	0	(2)	(2)

Provision Movements	Balance at 1 April 2022 £000	Amounts Used in 2022/2023 £000	Unused Amounts Reversed in 2022/2023 £000	Additional Provisions made in 2022/2023 £000	Balance at 31 March 2023 £000
Other Provisions (Current):					
Insurance	(1,236)	185	414	(467)	(1,104)
<i>Total Other Current Provisions:</i>	(1,236)	185	414	(467)	(1,104)
Total Current Provisions:	(1,291)	240	414	(469)	(1,106)
Other Provisions (Non-Current):					
Insurance	(1,547)	184	350	(388)	(1,401)
Lease Dilapidation - Anvil Court	(133)	0	0	(109)	(242)
Lease Dilapidation - Ebbw Vale Multi Storey Car Park	(14)	0	0	(405)	(419)
Lease Dilapidation - 20 Church Street	(2)	0	0	0	(2)
<i>Total Non-Current Provisions:</i>	(1,696)	184	350	(902)	(2,064)
Total Provisions:	(2,987)	424	764	(1,371)	(3,170)

35.3 Contingent Liabilities

- As part of the legal agreements associated with the transfer of the Authority's Housing Stock to Tai Calon, a number of warranties and indemnities have been provided for a period of 32 years from the transfer date (July 2010), covering areas including environmental, asbestos and redevelopment issues. The limit to claims made against these warranties is £15,000 for each property (uprated annually by RPI), with the exception of warranties for environmental pollution and asbestos, where the limits are £125m (environmental pollution and asbestos – works indemnity) and without limit (asbestos – personal injury and death). Claims are subject to an excess level below which the Authority is not liable to reimburse Tai Calon, these being £5,000 generally and £4.7625m for Asbestos works. Potential liabilities that could arise in respect of environmental pollution have been mitigated by means of insurance policies, providing aggregate cover of £30m. At this stage, there have been no definite claims associated with the warranties provided and it is not possible to determine the extent and value of claims that may arise in the future.
- On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations. Further details of the liability on transfer are included in note 38 (page 95). However it is not possible to place an estimate on the level of other potential liabilities for which the Authority is acting as guarantor which are dependent on the occurrence of future events.
- Under the terms of the Municipal Mutual Insurance Scheme of Arrangement, the Authority is responsible for the payment of a percentage towards future claims, potentially for many years due to the inherent long-tail nature of the insured risks. Due to the nature of these claims it is not practicable to disclose an estimate of the potential sums payable.
- The Authority has received a number of Part 1 claims arising under the 1973 Land Compensation Act in relation to a number of public works projects. While it is not yet possible to determine the final number and value of these claims in compliance with the Act and the full extent to which settlement will be made, a provision has been included for those claims where offers have been made.

- As a result of decisions of the courts allowing the release of documentation in relation to specific past actions of the Authority, it is possible that obligations may arise to settle specific liabilities. Given the inherent complexity of these liabilities it has not been possible to provide an estimate of the settlement costs.
- The Council has agreed to enter into a Deed of Priority with Wells Fargo in respect of amounts loaned to the developer of the NMC site in Brynmawr, such that Wells Fargo would have unlimited first call on the site developer's assets in the event of a loan default situation. The Council have therefore agreed to secure the loan funding provided to the project developer by Welsh Government, being the sum of £0.750m. In mitigation, the developer is a reputable well-established financial services company and further legal agreements are in place such that, on disposal of the development, the Deed of Priority will cease. As the developer intends to dispose of the property as soon as possible after practical completion is achieved this should limit the duration of the risk to the Council.

36. Other Long-Term Liabilities

The Authority holds the following balances as long-term liabilities.

- Long-Term Liabilities for Cardiff Capital Region City Deal represent the Authority's share of HMT

Other Long-Term Liabilities	31 March 2023	31 March 2022
	£000	£000
Cardiff Capital Region City Deal Non-Current Creditor	(2,148)	(1,282)
Deferred Liabilities	(264)	(421)
Net Pensions Liability	(74,858)	(293,580)
Total	(77,270)	(295,283)

grant received by the joint arrangement but not yet utilised.

- Deferred Liabilities represent amounts outstanding for finance leases in relation to vehicles, plant and equipment leased by the Authority.
- The Net Pensions Liability represents the amount by which pension liabilities attributable to the Authority exceed pension assets held in order to settle current and future obligations.

37. Financial Instruments

Fair Value of Assets and Liabilities carried at Amortised Cost

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that take place over the remaining term of the instruments as at the balance sheet date.

Fair values are shown in the table below, split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

Financial Liabilities	Fair Value Level	31 March 2023		31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		£000	£000	£000	£000
Public Works Loan Board	2	(70,712)	(69,353)	(73,584)	(95,784)
Lenders Option Borrowers Option	2	(4,043)	(3,873)	(4,042)	(6,929)
Market Loans	2	(18,000)	(29,004)	(14,000)	(14,198)
Temporary Loans	n/a	(48,368)	(48,365)	(62,365)	(62,365)
Rail Infrastructure Loan	n/a	(41,202)	(7,822)	(40,312)	(32,855)
Town Centre Loan	n/a	(1,932)	(1,431)	(1,890)	(2,042)
Salix Loan	n/a	(3,382)	(2,767)	(3,780)	(3,780)
Transforming Towns Loan	n/a	(2,386)	(2,324)	(633)	(711)
Total		(190,025)	(164,939)	(200,606)	(218,664)

The fair value of liabilities is more than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans, namely PWLB annuity and Lender's Option Borrower's Option (LOBO), where the interest rate payable is higher than the rates available for similar loans at the Balance Sheet date. The commitment to pay interest above current market rates increases the amount the Authority would have to pay if the lender requested or agreed to early repayment of loans.

Fair value disclosures have not been calculated for short term financial liabilities or short term financial assets, including payables (creditors), receivables (debtors) and temporary investments as the carrying amount is a reasonable approximation of fair value.

Financial Instrument Balances

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

Financial Instruments	31 March 2023			31 March 2022		
	Non-Current £000	Current £000	Total £000	Non-Current £000	Current £000	Total £000
Financial Liabilities						
Financial liabilities at amortised cost	(132,498)	(57,527)	(190,025)	(126,923)	(73,683)	(200,606)
Total Borrowings	(132,498)	(57,527)	(190,025)	(126,923)	(73,683)	(200,606)
Financial Assets						
Available for Sale - Unquoted equity investment at cost	657	0	657	342	0	342
Total Investments	657	0	657	342	0	342

Financial Instrument Gains/Losses

The gains and losses recognised in the Comprehensive Income & Expenditure Statement (*note 10, page 42*) in relation to financial instruments are made up as follows:

Financial Instrument Gains/Losses	2022/2023			2021/2022		
	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2022/2023 £000	Financial Liabilities measured at amortised cost £000	Financial Assets: Loans & Receivables £000	Total 2021/2022 £000
Interest payable and similar charges:						
Interest expense	4,708	0	4,708	4,464	0	4,464
Interest and investment income:						
Interest income	0	(1,789)	(1,789)	0	(77)	(77)
Net (gain)/loss for the year:	4,708	(1,789)	2,919	4,464	(77)	4,387

Soft Loans

Car loans are classified as soft loans and should be included in the Balance Sheet at fair value. However, car loans have been included at their carrying amount, as the difference between the fair value and carrying amount is considered to be immaterial. As at 31 March 2023, 54 car loans were outstanding with a total value of £0.266m (31 March 2022: 72 loans with a value of £0.331m).

During 2020/2021 a single in-arrears payroll was implemented for all staff. To assist with cashflow issues caused by this change, interest-free bridging loans were offered. £0.460m was advanced, of which £0.457m has been repaid to 31 March 2023 (31 March 2022: £0.455). As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.003m has been included in the Balance Sheet at cost. (31 March 2022: £0.005m).

The Authority received two interest free loans from Welsh Government in 2020/2021: £70.000m in relation to the Ebbw Valley Railway Infrastructure project and £2.570m as a Town Centre loan for Local Authority use. A further sum of £0.825m was received in 2021/2022 as a Transforming Towns loan. As these loans have interest rates below market rate, each has been treated as a soft loan in the Authority's accounts and have been included in the Balance Sheet at Fair Value.

In 2022/2023, in response to the cost of living crisis, a bridging loan was advanced to eligible employees who claimed business mileage. This was to be repaid by staff when the cost of fuel reduced or on implementation of the agreed pay award. A total of £0.016m was advanced of which none had been repaid to 31 March 2023. As the difference between fair value and carrying amount is considered to be immaterial, the outstanding balance of £0.016m has been included in the Balance Sheet at cost.

38. Disclosure of Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit Risk – the possibility that other parties might fail to pay amounts due to the Authority;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The economic impact of the Covid-19 pandemic, Ukrainian war and Cost of Living Crisis continue to present challenges to the financial services industry and its institutions. The main issues for the Council are credit risk; its ability to raise finance; and to a limited degree the interest rate payable and receivable on new loans and investments. However, these risks are mitigated as described below.

The Authority's overall risk management procedures focus on the unpredictability of financial markets, and are structured to implement suitable controls to minimise these risks. The procedures for risk management are defined through a legal framework set out in the Local Government Act 2003 and associated regulations and are managed by the Authority's Accountancy Division. These require compliance with the CIPFA Prudential Code of Practice, the CIPFA Treasury Management Code

of Practice and investment guidance issued under the Local Government Act 2003. Overall, these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice;
- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations/standing orders/constitution;
- by approving an Investment Strategy for the forthcoming year, setting out its criteria for both investing and selecting investment counterparties in compliance with government guidance; and
- by approving annually in advance Prudential and Treasury Indicators for the following three years limiting:
 - the Authority's overall borrowing;
 - its maximum and minimum exposures to fixed and variable rates;
 - its maximum and minimum exposures to the maturity structure of its debt; and
 - its maximum annual exposures to investments maturing beyond a year.

The above are required to be reported and approved at or before the Authority's annual Council Tax setting meeting or before the start of the year to which they relate. These items are reported with the annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual Treasury Management Strategy, Investment Strategy and MRP Policy statement, which incorporates the Prudential Indicators, were approved by Council on 09 March 2022 and are available on the Authority's website:

[Ordinary Meeting of the Council - 9 Mar 2022](#)

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers.

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch and Moody's Credit Rating Services. The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criteria is applied by using Credit Default Swap (CDS) spread data and credit rating alerts.

The full Investment Strategy for 2022/2023 was approved by Council on 09 March 2022.

The Authority's maximum exposure to credit risk in relation to its investments cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments.

However, all investments held by the Authority during the period are considered to be of low risk. No breaches of the Authority's counterparty criteria occurred during the reporting period and the Authority does not expect any losses from non-performance of any of its counterparties in relation to deposits.

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures outlined above (*the setting and approval of Prudential Indicators and the approval of the Treasury and Investment Strategy reports*), as well as through a comprehensive cash flow management system. This seeks to ensure that cash is available when needed.

The Authority has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loan Board (PWLB) and money markets for longer term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The source analysis of financial liabilities is as follows:

Financial Instruments	31 March 2023		31 March 2022	
	£000	%	£000	%
Source of Loan				
Public Works Loan Board	(71,147)	32.22	(74,067)	31.98
Lenders Option Borrowers Option	(4,000)	1.81	(4,000)	1.73
Market Loans	(18,000)	8.15	(14,000)	6.04
Temporary Loans	(48,365)	21.90	(62,365)	26.93
Rail Infrastructure Loan	(70,000)	31.69	(70,000)	30.22
Town Centre Loan	(2,570)	1.16	(2,570)	1.11
Transforming Towns Loan	(3,400)	1.54	(825)	0.36
Salix Loan	(3,382)	1.53	(3,780)	1.63
Total:	(220,864)	100.00	(231,607)	100.00

The maturity analysis of financial liabilities is as follows:

Maturity of Loan	31 March 2023		31 March 2022	
	£000	%	£000	%
Maturing in less than 1 year	(57,527)	26.05	(73,683)	31.80
Maturing in 1-2 years	(15,849)	7.18	(9,162)	3.96
Maturing in 2-5 years	(35,117)	15.90	(32,531)	14.05
Maturing in 5-10 years	(25,347)	11.48	(27,807)	12.01
Maturing in more than 10 years	(87,024)	39.39	(88,424)	38.18
Total:	(220,864)	100.00	(231,607)	100.00

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income & Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income & Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact upon the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income & Expenditure Statement and will affect the Council Fund Balance.

The Authority has a number of strategies for managing interest rate risk. The Treasury Management Strategy sets an upper limit on variable rate exposures at 30% of its net outstanding sums. During periods of falling interest rates, long term fixed rate borrowings will be postponed and potential rescheduling from fixed rate funding into short term funding will be considered, where economic circumstances make it favourable to do so. The risk of loss is partly ameliorated by the fact that the debt financing element of the Standard Spending Assessment, which determines the amount of Revenue Support Grant receivable for non-current debt financing costs, is based on Authorities' average borrowing costs for existing debt and statistical forecasts of future interest rates for in-year debt. Hence a proportion of any higher costs arising on non-current debt from increased interest rates would be met from the Revenue Support Grant in future years.

In setting the annual revenue budget, the Authority takes a prudent view when assessing interest rate exposure, so as to mitigate as far as possible any adverse implications upon the Comprehensive Income & Expenditure Statement.

Of the Authority's non-current debt, 95% is currently at fixed rates; only the LOBO is considered to be variable, although the chances of repayment being demanded are relatively small. The effect of a 1% increase in interest rates would therefore only affect the interest receivable and payable on its current investments and borrowings, and on the LOBO.

If interest rates had been 1% higher, with all other variables held constant, the financial effect would have been:

Interest Rate Risk	2022/2023 £000	2021/2022 £000
Increase in interest payable on current variable rate borrowings	594	616
Increase in interest receivable on current variable rate investments	(939)	(750)
Increase in interest payable on non-current variable rate borrowings	40	40
Net impact upon Comprehensive Income & Expenditure Statement:	(305)	(94)

The impact of a 1% fall in interest rates would have been as above but with the movements being reversed.

Price Risk

The Authority does not invest in equity shares but does have a 100% shareholding to the value of £250,000 in Silent Valley Waste Services Ltd.. As the shareholding is unquoted the Authority is not exposed to losses arising from movements in the prices in the shares. The £250,000 shares are classified as unquoted investments at cost.

Included on the Balance Sheet is the Authority's proportion of a minor equity investment made by the Cardiff Capital Region City Deal in Pharamatelligence Ltd.. As the investment is unquoted the CCRCD is not exposed to losses arising from movements in the prices in the shares. The Authority's proportion, equating to £346,481, has been classified as unquoted investments at cost.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to losses arising from movements in exchange rates.

39. Post-Employment Benefits – Defined Contribution Plans (Teachers)

The Teachers' Pension Scheme is an unfunded scheme, in which pension benefit payments from the scheme are funded by current employee and employer contributions. The difference between these contributions and scheme expenditure are financed by the Exchequer. As an indication of the scale of the fund and the sums involved, the net cash requirement for 2022/2023 was £1.73bn and total net scheme liabilities amounted to £303.2bn.

Employer contributions are set by the Secretary of State, on the advice of the fund actuary. Following the recommendations of Lord Hutton on public sector pensions, a valuation as at 31 March 2012 was undertaken by the Government Actuary's Department in line with the revised valuation directions determined by HM Treasury. As a result of this valuation, the standard contribution rate (SCR) was assessed at 20.4% and the supplementary contribution rate (which funds the accumulated shortfall of liabilities within a period of up to 15 years) was set at 5.6% (a total contribution rate of 26.0%). The actuarial valuation based on scheme data for the period ending 31 March 2016 had been progressing and was expected to be implemented in 2019, with subsequent valuations to be undertaken on a four-yearly basis. However, the actuarial valuation was suspended following the Court of Appeal ruling against the government in respect of changes to the judges and firefighters pension schemes. Work on the next Scheme valuation, as at 31 March 2020, is underway, with any changes to contributions and benefit levels expected to be announced in early Autumn 2023 and to take effect in April 2024. The employers rate increased to 23.6% from September 2019, with no change to the average employee contribution of 9.5%.

The Authority is liable for other entities' obligations only to the extent that any deficit arising on the Teachers' Pension Scheme that is being recovered through the supplementary contribution element of the Employer Contribution rate may not have resulted from employees or former employees of the Authority.

The Authority is not required to include entries in its Balance Sheet relating to assets and liabilities for the Teachers' Pensions Scheme, as the liability for payment of these pensions rests ultimately with the Department for Education.

Teachers employed by the Authority are members of the Teachers' Pension Scheme (a defined benefit scheme) administered by Capita Teachers' Pensions. The Authority contributes towards the costs of retirement benefits by making contributions based on a percentage of employees' pensionable salaries.

The TPS is a multi-employer scheme which for 2022/2023 comprised 12,357 contributing employers that administered over 1.42 million active/deferred members and made payments to 756,565 pensioners. Given the complexities involved in administering pension arrangements for this volume of employees, it is not possible to disaggregate the scheme liabilities for each employer. Consequently, there is insufficient information available to account for the TPS as a defined benefit plan and as a result it has been accounted for as a defined contribution scheme.

In 2022/2023, the Authority paid employers contributions of £5.257m to Capita Teachers' Pensions in respect of teachers' pension costs, representing 23.6% of teachers' pensionable pay (2021/2022: £4.932m). At 31 March 2023, £0.451m remained payable to the Teachers' Pension Scheme relating to employers contributions arising in the March payroll (31 March 2022: £0.415m).

The total employers contributions to be made by the Authority to the Teachers' Pension Scheme in the year to 31 March 2024 is estimated at £5.520m.

The Authority made total contributions (employees and employers) to the TPS amounting to £7.411m in 2022/2023, which would have represented approximately 0.08% of the total contributions receivable by the TPS in 2022/2023.

The Authority is responsible for the costs of any additional benefits awarded upon early retirement that fall outside of the terms of the Teachers' Scheme. These costs are accounted for on a defined benefit basis and are detailed in note 40 (page 89).

40. Post-Employment Benefits – Defined Benefit Plans

Retirement benefits are offered to the Authority's employees which, although not actually payable until employees retire, represent a commitment by the Authority that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Authority participates in two formal schemes, the Local Government Pension Scheme (the Greater Gwent (Torfaen) Pension Fund), which is administered by Torfaen CBC, and the Teachers' Pensions Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education. Although technically a defined benefit scheme, the Teachers' Pensions Scheme is accounted for as a defined contribution scheme (*note 39, page 88*).

With effect from 1 April 2014, the Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Authority and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last completed review being 31 March 2022.

Pension benefits under the LGPS are summarised below:

Service pre 1 April 2008	
Pension	Each year worked is worth 1/80th of final pensionable salary.
Lump Sum	Automatic lump sum of 3x annual pension. In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.
Service between 1 April 2008 and 31 March 2014	
Pension	Each year worked is worth 1/60th of final pensionable salary.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Service after 31 March 2014	
Pension	Each year worked is worth 1/49th of career average revalued earnings.
Lump Sum	No automatic lump sum. Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

The Scheme is governed by the Public Service Pensions Act 2013 and administered in accordance with the following secondary legislation:-

- the LGPS Regulations 2013 (as amended);
- the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended); and
- the LGPS (Management and Investment of Funds) Regulations 2016.

As administering authority, Torfaen County Borough Council is responsible for interpreting all pension laws, keeping accurate records, calculating and paying benefits, and providing information to employees, employers and other relevant bodies. Torfaen County Borough Council has established within its Constitution a Pensions Committee to discharge its duties as administering authority of the Fund. The Council has also established a Pension Fund Management Group to provide wider stakeholder representation and communication in matters relating to the Fund. As required by the Public Services Pension Act 2013 and LGPS (Amendment) (Governance) Regulations 2015, a Pension Fund Board has been established to assist the Scheme manager with securing compliance with regulations, legislation and the Pension Regulator's Codes of Practice relating to administration and governance of the Local Government Pension Scheme.

The Fund's primary long term risk is that its assets will fall short of its liabilities (i.e. its promised benefits payable to members). Investment risk management across the Fund is therefore aimed to minimise the risk of an overall reduction in the value of the Fund whilst maximising the opportunity for gains across the whole portfolio. Within its investment strategy the Fund aims to manage this primary overall risk by:-

- asset diversification to reduce exposure to market risk (asset price risk, interest rate risk and currency risk);
- managing credit risk via appropriate selection, diversification and monitoring of its counterparties; and
- managing liquidity risk by ensuring there are sufficient liquid funds to meet member benefit commitments as they fall due.

To meet the requirements of the Regulations, the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2022), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in 20 years. Scheme changes implemented under the Public Pensions Service Act 2013, including calculating pension and other benefits on the basis of career average re-valued earnings, will also need to be considered in meeting the future funding objectives.

As an indication of the level of the Authority's participation in the Greater Gwent (Torfaen) Pension Fund compared with other participating entities, Blaenau Gwent contributed 11.1% of the total employee and employer contributions receivable by the Fund as disclosed in the most recently available annual accounts (2021/2022).

More detailed information regarding the nature of benefits provided, regulatory framework, governance arrangements, investment principles, funding strategy, actuarial valuation and pension fund performance can be obtained from the Assistant Chief Executive (Resources), Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB, or from the Greater Gwent Pensions Fund website:

<https://www.gwentpensionfund.co.uk>

Welsh Pension Partnership (WPP)

The Greater Gwent Pension Fund is one of eight Local Government Pension Scheme funds in Wales that since 2017 have collaborated in the Wales Pension Partnership (WPP). Pooling of the eight schemes' assets is undertaken in order to benefit from economies of scale and reduced administrative costs. As host authority, Carmarthenshire County Council is responsible for running the pooled fund. In 2021/2022, 72% of the Constituent Authorities' pension fund assets were pooled.

Discretionary Benefits

The Authority is responsible for all discretionary pension payments relating to added years awarded, together with related increases for both Local Government Scheme employees and teachers. This is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made but for which there are no investment assets built up to meet these pensions liabilities. Cash has to be generated to meet actual pensions payments as they fall due. For Local Government Scheme employees, liabilities are discharged within 1 year of awarding the discretionary payments; for Teachers' Scheme employees the liability is not discharged until the employee is deceased.

Accounting Treatment of Defined Benefit Transactions

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions. However, legislation requires that the pensions charge that falls for payment by Council Taxpayers is equal to the amounts payable for the year of account. Consequently adjustments are made in the Movement in Reserves Statement (Adjustments between accounting basis and funding basis under statutory provisions) to ensure that the notional cost of retirement benefits is reversed out of the accounts and replaced with the amounts paid.

The following transactions have been made in the Comprehensive Income and Expenditure Statement during the year:

Pension Scheme Transactions - Comprehensive Income & Expenditure Statement	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Cost of Services:						
Current Service Costs	26,308	0	26,308	26,833	0	26,833
Past Service Costs and Curtailments	158	0	158	15	0	15
Administration Expenses	276	0	276	249	0	249
Total Service Cost:	26,742	0	26,742	27,097	0	27,097
Financing and Investment Income and Expenditure:						
Interest on plan assets	(12,565)	0	(12,565)	(8,798)	0	(8,798)
Interest on defined benefit liabilities	19,775	856	20,631	15,217	697	15,914
Net Interest:	7,210	856	8,066	6,419	697	7,116
Total Charged to the Surplus/Deficit on Provision of Services:	33,952	856	34,808	33,516	697	34,213
Remeasurement of the Net Defined Liability, comprising:						
Return on plan assets (excluding amounts included in Net Interest)	21,563	0	21,563	(17,615)	0	(17,615)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(275,095)	(498)	(275,593)	(3,950)	(321)	(4,271)
Actuarial (Gains)/Losses arising from changes in financial assumptions	1,402	(6,479)	(5,077)	(53,531)	(1,286)	(54,817)
Experience (Gains)/Losses on defined benefit liabilities	20,375	1,032	21,407	685	(443)	242
Total remeasurements recognised in Other Comprehensive Income & Expenditure:	(231,755)	(5,945)	(237,700)	(74,411)	(2,050)	(76,461)
Total Charged to the Comprehensive Income & Expenditure Statement:	(197,803)	(5,089)	(202,892)	(40,895)	(1,353)	(42,248)

At 31 March 2023, £1.487m remained payable to the LGPS relating to contributions arising in the March payroll (31 March 2022: £1.546m). This amount has been excluded from the Pensions Asset in the Balance Sheet.

The following transactions have been made in the Movement in Reserves Statement during the year:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Transactions - Movement in Reserves Statement						
Reversal of net charges for post employment benefits included in <i>'Total Charged to the Surplus/Deficit on Provision of Services'</i>	(33,952)	(856)	(34,808)	(33,516)	(697)	(34,213)
Actual Amount Charged Against Council Tax for Pensions in year:						
Employers' Contributions Payable to Scheme	13,990	0	13,990	12,332	0	12,332
Retirement Benefits Payable to Pensioners	0	1,781	1,781	0	1,823	1,823
Total amounts charged against Council Tax:	13,990	1,781	15,771	12,332	1,823	14,155
Net adjustment between accounting basis and funding basis for pension transactions:	(19,962)	925	(19,037)	(21,184)	1,126	(20,058)

Assets and Liabilities in Relation to Post-Employment Benefits

Transactions in respect of the fair value of pension scheme assets are as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Reconciliation of the Movements in Fair Value of Scheme Assets						
Balance at 1 April:	465,432	0	465,432	440,901	0	440,901
Employer Contributions	14,049	1,781	15,830	12,030	1,823	13,853
Member Contributions	3,497	0	3,497	3,172	0	3,172
Benefits Paid	(17,161)	(1,781)	(18,942)	(17,084)	(1,823)	(18,907)
Interest on Plan Assets	12,565	0	12,565	8,798	0	8,798
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	(21,563)	0	(21,563)	17,615	0	17,615
Balance at 31 March:	456,819	0	456,819	465,432	0	465,432

Transactions in respect of the present value of pension scheme liabilities are as follows:

Reconciliation of the Movements in Present Value of Scheme Liabilities	2022/2023			2021/2022		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(726,427)	(32,585)	(759,012)	(754,821)	(35,761)	(790,582)
Current Service Cost	(26,308)	0	(26,308)	(26,833)	0	(26,833)
Past Service Cost and Curtailments	(158)	0	(158)	(15)	0	(15)
Administration Expenses	(276)	0	(276)	(249)	0	(249)
Interest Cost	(19,775)	(856)	(20,631)	(15,217)	(697)	(15,914)
Member Contributions	(3,497)	0	(3,497)	(3,172)	0	(3,172)
Benefits Paid	17,161	1,781	18,942	17,084	1,823	18,907
Remeasurement Gains/(Losses):						
Experience Gains/(Losses)	(20,375)	(1,032)	(21,407)	(685)	443	(242)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	275,095	498	275,593	3,950	321	4,271
Actuarial Gains/(Losses) arising from changes in financial assumptions	(1,402)	6,479	5,077	53,531	1,286	54,817
Balance at 31 March:	(505,962)	(25,715)	(531,677)	(726,427)	(32,585)	(759,012)

The net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	2022/2023			2021/2022		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	456,819	0	456,819	465,432	0	465,432
Present Value of Scheme Liabilities	(505,962)	(25,715)	(531,677)	(726,427)	(32,585)	(759,012)
Net Liability:	(49,143)	(25,715)	(74,858)	(260,995)	(32,585)	(293,580)

There are no assets to cover the discretionary benefits awarded to Teachers (Unfunded Teachers' Discretionary Pensions).

Assets held by the Local Government Pension Scheme can be categorised as follows:

Local Government Pension Scheme Asset Categorisation	31 March 2023				31 March 2022			
	Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total		Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	
	£000	£000	£000	%	£000	£000	£000	%
Quoted Equity Securities:	0	0	0	0.00	0	0	0	0.00
Investment Funds and Unit Trusts:								
Equities	0	337,238	337,238	73.82	0	344,334	344,334	73.98
Bonds	0	60,856	60,856	13.32	0	65,404	65,404	14.05
Other	0	47,104	47,104	10.31	0	42,576	42,576	9.15
Real Estate: UK Property Funds	0	9,251	9,251	2.03	0	10,652	10,652	2.29
Cash and Cash Equivalents:	0	2,370	2,370	0.52	0	2,466	2,466	0.53
Total:	0	456,819	456,819	100.00	0	465,432	465,432	100.00

The Authority holds no investments in the Greater Gwent (Torfaen) Pension Scheme and does not occupy or otherwise utilise assets held by the Scheme.

Sensitivity Analysis

The impact of changes in the key actuarial assumptions has been calculated as follows:

Sensitivity Analysis: Impact of Change in Assumptions	31 March 2023		31 March 2022	
	Increase in Employer Liabilities		Increase in Employer Liabilities	
	£000	%	£000	%
0.5% decrease in Real Discount Rate	46,195	8.69	74,840	9.86
0.5% increase in the Salary Increase Rate	6,730	1.27	8,935	1.18
0.5% increase in the Pension Increase Rate	40,135	7.55	65,315	8.61
1 year increase in Member Life Expectancy	21,267	4.00	30,360	4.00

The impact of these changes on assets and liabilities at year end would be as follows:

Sensitivity Analysis	31 March 2023				
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year
Liabilities	(531,677)	(577,872)	(538,407)	(571,812)	(552,944)
Assets	456,819	456,819	456,819	456,819	456,819
Net Deficit	(74,858)	(121,053)	(81,588)	(114,993)	(96,125)
	31 March 2022				
		Discount	Salary	Pension	Life
	Base	Rate:	Increase:	Increase:	Expectancy:
	£000	-0.5% p.a.	+0.5% p.a.	+0.5% p.a.	+1 Year
Liabilities	(759,012)	(833,852)	(767,947)	(824,327)	(789,372)
Assets	465,432	465,432	465,432	465,432	465,432
Net Deficit	(293,580)	(368,420)	(302,515)	(358,895)	(323,940)

The sensitivity analysis figures provided by the Actuary are approximate only. It has been assumed that there have been no changes in accounting policies, Scheme benefits, the age/sex/service profile of employees, levels of pay and contributions made. The Actuary has also indicated that the impact of an increase in member life expectancy would be in the range of 3-5%, subject to varying factors. These figures should not therefore be construed as providing accurate outturn figures for future accounting periods. No allowance has been made for the impact of Covid-19 on the pension fund, as the long term impact on the fund was not known in March 2021. The accounting position, due to the effect of Russia's Invasion of Ukraine, was seen as quite small by the actuary. The accounting assumptions used at 31 March 2023 are based on market expectations which are shaped by global events.

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on financial and demographic assumptions. Hymans Robertson LLP are the appointed actuary for the Greater Gwent Local Government Pension Scheme, and have calculated attributable assets and liabilities (including those for Unfunded Teachers' Discretionary Pensions) using the following principal assumptions:

Principal Assumptions	31 March 2023	31 March 2022
Financial Assumptions:		
Rate of Increase in Salaries	3.5%	3.5%
Rate of Increase in Pensions	3.0%	3.2%
Discount Rate	4.8%	2.7%
Mortality Assumptions:		
Current Pensioners:	CMI 2021 Model, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.
Future Pensioners:	CMI 2021 Model, 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	Vita Curves with improvements in line with the CMI 2020 model assuming long term rates of improvement of 1.5% p.a.
Life Expectancy:		
Longevity of current pensioners (aged 65):		
Males	20.2	20.5
Females	22.9	23.5
Longevity of future pensioners (aged 65 in 20 years' time):		
Males	21.0	21.7
Females	24.7	25.3

The actuarial assumptions used in the calculation of year end Balance Sheet liabilities are based on the assumptions used in the last full valuation, other than those identified above. Liabilities for Teachers' Unfunded Discretionary Benefits are calculated on the same basis as the Local Government Scheme, except for those above.

The date of the last full actuarial valuation was 31 March 2022.

Impact on future cash flows

Entries are included in the Balance Sheet for this Authority's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Authority has in the long term to pay retirement benefits.

The scheme is financed by contributions paid by the employees, their employers and earnings from the investment of the Fund's money. The type of investment is decided by legislation and not by the local authorities. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013. Contributions are additionally made by Fund employers which are set by the Fund's triennial actuarial valuations. The last such formal valuation was at 31 March 2022.

In terms of funding via investment earnings, the Fund's assets are invested in accordance with its investment strategy, which is set out within the Fund's Funding Strategy Statement. Investment management policy, principles and arrangements are detailed within its Statement of Investment Principles.

To meet the requirements of the Regulations the Administering Authority's long term funding objective is for the Fund to achieve and then maintain sufficient assets to cover 100% of projected accrued liabilities (the "funding target") assessed on an ongoing basis including allowance for projected final pay. The funding objective as set out in the FSS (Funding Strategy Statement) is to achieve and maintain a funding level of 100% of liabilities (the Funding Target). In line with the FSS, where a shortfall exists at the effective date of the actuarial valuation (31 March 2022), a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The maximum deficit recovery period has been set as 20 years.

The 2022 Actuarial Valuation reported the level of total fund assets compared to liabilities (the funding level) as 97% (2019 Valuation: 86%). As a result, employer contribution levels have been calculated for implementation from 1 April 2023 that will, subject to future revaluations, eliminate this deficit in the next 20 years.

The Authority holds total usable reserves of £60.932m at 31 March 2023 (£85.279m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.858m to the Authority's usable reserves would be a deficit of £13.926m (2021/2022: the superannuation deficit of £293.580m exceeded usable reserves by £208.301m).

However, this deficit is dependent on a number of factors such as investment performance and retirement benefits payable. The long-term under-funding of the Local Government Scheme is currently being addressed over a number of years by staged increases to employer contributions. Consequently, the total liability would not arise in one financial year. The overall financial standing of the Superannuation Fund is regularly reviewed by Actuaries on behalf of the administering Authority (Torfaen CBC).

The total contributions expected to be made by the Authority to the Local Government Pension Scheme in the year to 31 March 2024 are estimated by the Fund Actuary as £14.093m.

In the event that a contributing fund member became unable to pay contributions or make good future deficits, the level of Pension Scheme assets would be lower than expected and this would have a negative impact on the Funding Level. At that time, the Administering Authority (Torfaen) would seek to recover any debt outstanding from the employer. This type of risk can be mitigated

by the use of guarantees and/or covenants. However, if an employer defaults on payment and these sums cannot be recovered, the shortfall would then become the responsibility of any guarantor or all other employers in the Fund. This could increase the level of employer contribution rates required to recover the overall Fund deficit.

Potential Liabilities Arising From The McCloud/Sargeant Ruling

When the LGPS benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than those they would have received under the previous benefit structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling have also applied to the LGPS (and other public service schemes). The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019.

HM Treasury confirmed in February 2021 that all eligible scheme members would remain as members of the legacy (i.e. final salary) scheme for the remedy period between 1 April 2015 and 31 March 2022. At the point at which members start taking benefits (usually at retirement), they will then be able to opt for either legacy or reformed (i.e. career average) benefits for the remedy period. Eligibility may be limited to members active or within 10 years of normal pension age at 1 April 2012.

LGPS benefits accrued from 2015 may therefore need to be enhanced as all eligible members could benefit from the underpin. The Fund actuary included an increase in liabilities related to the McCloud/Sargeant judgement in the 2019/2020 accounts, based on the Government Actuary's Department (GAD) estimates, adjusted where appropriate to better reflect the Greater Gwent (Torfaen) Pension Fund's local assumptions, particularly salary increases and withdrawal rates. This amounted to £1.227m and was charged to the CIES as Past Service Cost.

If eligibility is limited to members who were active at 31 March 2012, the Actuary advised that the calculated increase in liabilities would reduce by approximately half. No adjustment has been made in the accounts for this potential reduction. The Actuary has advised that no further adjustments have been made to fund liabilities in the 2021/2022 accounts as a result of the McCloud/Sargeant ruling.

Further review of the LGPS scheme is expected during 2022, with the potential for future changes to benefits and increases in employee/employer contributions.

Contingent Liabilities (see also note 34.3, page 82)

Aneurin Leisure Trust

On creation of Aneurin Leisure Trust in October 2014, pension assets and liabilities assessed on an actuarial basis were transferred from Blaenau Gwent CBC, such that the Trust's pension obligations were deemed to be fully funded. The funding deficit accruing to 30 September 2014 in respect of employees relocating to Aneurin Leisure Trust was not transferred, but was retained by Blaenau Gwent CBC. The Trust is therefore only responsible for any increase in liabilities (on an actuarial valuation basis) occurring after the transfer date, with the Authority acting as a guarantor for the previously accrued net deficit. In addition, the Authority agreed to act as guarantor of last resort in order that the Leisure Trust could enter the Greater Gwent (Torfaen) Pension Fund as an admitted body and has therefore agreed to underwrite any costs arising in the event that the admitted body defaults on any or all of its payments in relation to its pension obligations.

However, in the Statement of Accounts the transferred pension assets and liabilities have been accounted for in accordance with the requirements of IAS19 *Employee Benefits*, the assumptions for which differ from those used in the actuarial valuation approach on which the funding position at inception of the Trust was based. Consequently, those elements of the settlement figures disclosed in 2014/2015 that related to Aneurin Leisure Trust did not reflect a fully funded position, but indicated the transfer of a net liability of up to £2.7m. Nevertheless, the Authority is still liable for the sums relating to the accrued net deficit on transfer and these amounts will be properly reflected in its accounts over time as they fall due in compliance with IAS19.

Guaranteed Minimum Pension (GMP) Equalisation/Indexation

In 2018, the High Court ruled that UK defined benefit pension schemes must compensate members for differences attributable to Guaranteed Minimum Pensions (GMPs) (*Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC and Others*). Guaranteed Minimum Pension represents the minimum pension an occupational pension scheme must provide a scheme member as an alternative to the State Earnings Related Pension Scheme (SERPS). GMP accrued in the LGPS between 6 April 1978 and 5 April 1997. Responsibility for paying annual pension increases on different tranches of benefit is divided between the LGPS fund and the State (via the State Pension), depending on when the member was in employment and when they reached State Pension Age (SPA). The Government implemented an 'interim' solution for members reaching SPA between 6 April 2016 and 5 December 2018, which involved the LGPS fund paying for everything i.e. both initial pension and all increases. This arrangement was subsequently extended to 5 April 2021. In March 2021 the HM Treasury announced that it has opted to make indexation of GMP payments a permanent measure, instead of merging GMP and pension scheme liabilities.

The Government's solution will lead to an increase in pension fund liabilities as a result of the scheme paying full GMP increases for all members with a SPA after 2016. Effectively this passes the cost from the State to LGPS funds (and therefore employers). There has been no indication of additional funding to cover this extra cost. The LGPS fund actuary has indicated that an estimate for full GMP indexation was included in the 2019 Actuarial Valuation and therefore these costs have already been built in to Balance Sheet liabilities and employer contribution rates.

41. Reserves

41.1 Usable Reserves

Fund balances and usable reserves are held by the Authority for the following purposes:

Fund Balances:

Council Fund General Reserve	The cumulative amount available to meet the future costs of Council services.
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Usable Earmarked Revenue Reserves:

Budget Contingency Fund / Invest to Save	To provide initial assistance in meeting new and emerging budget pressures and to establish an invest to save fund to provide one-off funding for initiatives that will generate financial and efficiency savings in the medium to long term.
Building Control Fees	To hold surpluses generated for future re-investment to improve the quality and performance of the Building Control Service.
Cardiff Capital Region City Deal (CCRCD)	The Authority's apportioned share of surpluses or deficits arising on the Cardiff Capital Region City Deal joint arrangement.
Corporate Services Portfolio	To provide for a variety of specific costs falling to the Corporate Services Portfolio, including: Additional future costs of elections; implementation of payroll system functionality; costs of implementing the new Hybrid Mail Model; holding deposits & bonds; meeting taxation liabilities, improving customer accessibility; recycling the interest from the rail loan back into the project; and to fund the Authority's contribution to the Citizens Advice Bureau.
Covid-19 Response & Recovery	To address additional costs arising from the continued impact of responding to/recovering from the Covid-19 global pandemic after specific Welsh Government funding has ceased.
Downsizing, Redundancy & Transitional Costs	To fund specific identified salary, pension strain and redundancy costs arising from the Authority's service transformation and downsizing projects, on a short-term (transitional) basis.
Economy Portfolio	To provide for a variety of specific costs falling to the Economy Portfolio, including: A review of the Authority's asset management systems and match funding for the Crowdfunding Project.

Usable Earmarked Revenue Reserves (Continued):

Education Portfolio	To provide for costs falling within the Education Portfolio, including: Funding of school based staff redundancies in 2023/2024 financial year.
Environment Portfolio	To provide for a variety of specific costs falling to the Environment Portfolio including: maintaining a stable transport oncost rate; decommissioning of the Civic Centre; highways network clearance work in adverse winter weather; fund the costs of specialist legal and financial advice in relation to Silent Valley and Corporate Landlord Re:Fit project loan repayments.
Financial Planning / Resilience	To improve the financial resilience of the Authority and support medium term financial planning, specifically for the later years of the MTFS.
Future Interest Rate	To provide protection against cost pressures arising from forecast rises in interest rates on the replacement of maturing debt and new borrowings to fund capital expenditure.
ICT	To meet the anticipated increase in capacity required for ICT in relation to staffing resources, licenses, equipment and training required to future-proof the service.
Individual Schools Budget (ISB)	To fund cost pressures relating to school expenditure including insurance and school reorganisation.
Inflation & Service Cost Pressure	To support budgets against inflationary and service pressures, the ending of the Hardship Fund and continuing to decarbonise services.
Insurance Liabilities	To protect against liabilities incurred but not settled. Such liabilities include insurance claims where an excess remains to be borne by the Authority and claims where no insurance cover exists.
Invest to Save	To provide "one off" funding for initiatives that would generate financial and efficiency savings in the medium to long term, or support commercial and investment opportunities.
Land & Property Charges (Social Services)	To mitigate the impact of establishing Land & Property charge debtors for adult residential care, the actual income for which will not be received until indeterminate points in the future.
LMS Balances	The aggregate amount of balances held by individual schools.

Usable Earmarked Revenue Reserves (Continued):

Local/Strategic Development Plan	To fund the review of the Local Development Plan.
Members Local Grants	To hold unallocated grant monies prior to distribution by Members.
Planning Committee	To provide for a variety of specific costs falling to the Planning Committee, including delivery of affordable housing, infrastructure and other community benefits through the planning process.
Rail Loan Interest	To hold interest received on investing the railway infrastructure loan before application to fund project expenditure.
Revenue Grants & Contributions Unapplied	To hold earmarked sums relating to a range of revenue grants and contributions received for which no accounting liability exists (i.e. do not have to be repaid), until applied to match specific service expenditure.
Social Services Portfolio	To provide for a variety of specific costs falling to the Social Services Portfolio including Gwent Supporting People Regional Development; funding future costs of SEW Adoption and Workforce Development Collaborations; and fees related to Children's Services.
Specialist Commercial Advice (Aneurin Leisure Trust Review)	To commission external consultants to support key elements of the review of current and future options for the provision and delivery of Leisure Services.
Strategic Business Reviews	To fund external support to strategic business reviews over a two year period.
Superannuation	To fund specific liabilities arising in respect of the Greater Gwent (Torfaen) Pension Fund falling outside of the normal contributions made by the Authority, including potential costs arising from guarantees provided to allow admission of entities to the Fund (e.g. Aneurin Leisure Trust).
Tai Calon Highways Maintenance (Commutated Sums)	To contribute to the maintenance of adopted road features over a 60 year period in areas covered by the transfer of housing stock and land to Tai Calon.
Technology Park Feasibility Study	To fund a feasibility study into the establishment of a High Tech Business Park and Test Facility focussed on the automotive and wider mobility/low carbon economic sectors.
Waste Services	To fund any potential financial penalties arising from a failure to meet the statutory recycling recovery target in 2023/2024 and future years.

Usable Reserves Earmarked for Capital Purposes:

Capital Inflation & Service Cost Pressures	To support the capital programme with the increased cost pressures being experienced when awarding capital contracts in the current market place.
Corporate Landlord	To fund various corporate landlord pressures recently identified.
Deminimis Capital Works	Receipts from minor land-related transactions to be utilised to fund associated land disposal fees that cannot be capitalised or off-set by regulation.
Facilities	To fund renovations in relation to the schools programme of works and other buildings.
Energy Centre	Provision for future repairs and maintenance of equipment in the Energy Centre.
Industrial Units	Match funding required to subsidise Industrial Units.
IT Infrastructure	To fund capital expenditure in relation to the upgrade of IT infrastructure to support workplace transformation.
New Operating Model	To support works required as part of the new operating model going forward.
The Hive	To be utilised against the Hive in 2023/2024 in relation to the ICT Road Map.
WRAP Regional Vehicles	To fund the future replacement of Regional Vehicles.

Capital Accounting Reserves:

Capital Grants Unapplied	Representing the balance of capital grants received (or receivable) for which grant conditions have been met but which have yet to be applied to match relevant capital expenditure.
Usable Capital Receipts	The proceeds of fixed asset sales available to meet future capital investment.

Movements on fund balances and reserves were as follows:

	Balance at 1 April 2021 £000	Transfers to Fund Balances £000	Transfers from Fund Balances £000	Balance at 31 March 2022 £000	Transfers to Fund Balances £000	Transfers from Fund Balances £000	Balance at 31 March 2023 £000
Fund Balances							
Council Fund	(7,553)	(5,514)	0	(13,067)	0	0	(13,067)
Total: Fund Balances	(7,553)	(5,514)	0	(13,067)	0	0	(13,067)

Usable Earmarked Revenue Reserves	Balance at 1 April 2021	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2022	Transfers to Reserves	Transfers from Reserves	Balance at 31 March 2023
	£000	£000	£000	£000	£000	£000	£000
Budget Contingency Fund/Invest to Save	(64)	0	0	(64)	0	64	0
Building Control Fees	(76)	(10)	48	(38)	(19)	0	(57)
Cardiff Capital Region City Deal	(135)	(534)	0	(669)	(387)	0	(1,056)
Corporate Services Portfolio	(277)	(468)	78	(667)	(190)	141	(716)
Covid-19 Response & Recovery	(2,000)	0	473	(1,527)	0	53	(1,474)
Downsizing, Redundancy & Transitional Costs	(184)	0	0	(184)	(104)	0	(288)
Economy Portfolio	(73)	(55)	1	(127)	0	23	(104)
Education Portfolio	(293)	0	193	(100)	(200)	0	(300)
Environment Portfolio	(603)	(245)	90	(758)	(61)	171	(648)
Financial Planning/Resilience	(2,500)	(1,054)	0	(3,554)	(1,500)	0	(5,054)
Future Interest Rate	(244)	(400)	0	(644)	(853)	0	(1,497)
I.C.T	(1,438)	(247)	297	(1,388)	(160)	273	(1,275)
Individual Schools Budget (ISB)	(169)	(41)	92	(118)	0	94	(24)
Inflation & Service Cost Pressure	0	(1,361)	0	(1,361)	0	450	(911)
Insurance Liabilities	(2,850)	(347)	0	(3,197)	(318)	0	(3,515)
Invest to Save	0	(1,000)	0	(1,000)	(395)	0	(1,395)
Land & Property Charges (Social Services)	(162)	0	45	(117)	0	4	(113)
LMS (Schools) Balances	(3,681)	(2,533)	0	(6,214)	(49)	1,473	(4,790)
Local/Strategic Development Plan	(143)	0	0	(143)	0	0	(143)
Members Local Grants	(55)	0	32	(23)	(21)	0	(44)
Planning Committee	0	(192)	0	(192)	(38)	82	(148)
Rail Loan Interest	0	0	0	0	(866)	0	(866)
Revenue Grants & Contributions Unapplied	(3,248)	(2,331)	2,330	(3,249)	(1,587)	1,085	(3,751)
Social Services Portfolio	(475)	(1,944)	125	(2,294)	(4)	697	(1,601)
Specialist Commercial Advice (Leisure Review)	0	0	0	0	0	0	0
Strategic Business Reviews	(193)	0	25	(168)	0	168	0
Superannuation	(601)	0	0	(601)	0	0	(601)
Supporting Additional Capacity	0	(369)	0	(369)	(17)	309	(77)
Tai Calon Highways Maintenance (Commuted Sums)	(375)	0	375	0	0	0	0
Technology Park Feasibility Study	(26)	0	0	(26)	0	26	0
Waste Services	(120)	0	0	(120)	0	0	(120)
Total: Usable Earmarked Revenue Reserves	(19,985)	(13,131)	4,204	(28,912)	(6,769)	5,113	(30,568)

	Balance at 1 April 2021 £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2022 £000	Transfers to Reserves £000	Transfers from Reserves £000	Balance at 31 March 2023 £000
Usable Revenue Reserves Earmarked for Capital Purposes							
Capital Inflation & Service Cost Pressure	0	(1,000)	0	(1,000)	0	0	(1,000)
Corporate Landlord	0	(150)	0	(150)	0	0	(150)
Deminimis Capital Works	(86)	(15)	0	(101)	(25)	0	(126)
Facilities	(119)	0	0	(119)	0	0	(119)
Energy Centre	(107)	(163)	0	(270)	(24)	0	(294)
Industrial Units	(50)	(190)	0	(240)	0	0	(240)
IT Infrastructure	(227)	0	0	(227)	0	0	(227)
New Operating Model	0	(492)	0	(492)	0	0	(492)
The Hive	0	(420)	0	(420)	0	0	(420)
WRAP Regional Vehicles	(207)	(47)	0	(254)	(72)	0	(326)
Total: Usable Reserves Earmarked for Capital Purposes	(796)	(2,477)	0	(3,273)	(121)	0	(3,394)
Usable Capital Reserves							
Capital Grants Unapplied	(31,844)	(4,424)	4,439	(31,829)	(3,134)	29,662	(5,301)
Usable Capital Receipts	(7,649)	(741)	192	(8,198)	(597)	193	(8,602)
Total: Usable Capital Reserves	(39,493)	(5,165)	4,631	(40,027)	(3,731)	29,855	(13,903)
Summary: Usable Reserves							
Fund Balances	(7,553)	(5,514)	0	(13,067)	0	0	(13,067)
Earmarked Revenue Reserves	(19,985)	(13,131)	4,204	(28,912)	(6,769)	5,113	(30,568)
Revenue Reserves Earmarked for Capital Purposes	(796)	(2,477)	0	(3,273)	(121)	0	(3,394)
Capital Reserves	(39,493)	(5,165)	4,631	(40,027)	(3,731)	29,855	(13,903)
Total: Usable Reserves	(67,827)	(26,287)	8,835	(85,279)	(10,621)	34,968	(60,932)

41.2 Unusable Reserves

41.2.1 Capital Adjustment Account

Capital Adjustment Account	2022/2023		2021/2022	
	£000	£000	£000	£000
Balance at 1 April		(98,416)		(89,824)
Adjustments to Opening Balance		(2)		(1,195)*
Revised Balance at 1 April		(98,418)		(91,019)
Reversal of items relating to capital expenditure debited or credited to the CIES:				
Charges for depreciation & impairment of non-current assets	16,159		5,355	
Revaluation losses on Property, Plant & Equipment	(5,332)		(2,092)	
Revenue expenditure funded from capital under statute	2,789		2,308	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(206)		1,696	
Capital grants and contributions applied to capital financing	(14,643)		(9,129)	
Sub-Total: Capital Adjustment Transactions included in the Comprehensive Income & Expenditure Statement:		(1,233)		(1,862)
Items not debited or credited to the CIES:				
Statutory provision for the financing of capital investment charged against the Council Fund	(1,744)		(1,057)	
Capital expenditure charged against the Council Fund	(468)		(458)	
		(2,212)		(1,515)
Capital financing applied in the year:				
Use of the Capital Receipts Reserve to finance new capital expenditure	(123)		(125)	
Write Out of Infrastructure Loan Discount	0		913	
Application of grants to capital financing from the Capital Grants Unapplied Account	(29,662)		(4,440)	
		(29,785)		(3,652)
Sub-Total: Capital Adjustment Transactions included in the Movement in Reserves Statement:		(33,230)		(7,029)
Adjusting Amounts written out of the Revaluation Reserve:				
Charges for depreciation & impairment of non-current assets	(1,001)		(368)	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	0		0	
		(1,001)		(368)
Balance at 31 March		(132,649)		(98,416)

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to an historical cost basis).

The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement. The Account contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

41.2.2 Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment.

Revaluation Reserve	2022/2023 £000	2021/2022 £000
Balance at 1 April	(32,226)	(26,799)
Adjustment to Balance Brought Forward	0	1,613*
Revised Balance at 1 April	(32,226)	(25,186)
Upward revaluation of assets	(19,457)	(3,170)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	1,659	539
Depreciation - write back revaluation reserve	(2,850)	(4,777)
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(20,648)	(7,408)
Difference between fair value depreciation and historical cost depreciation	1,001	368
Accumulated gains on assets sold or scrapped	108	0
Amount written off to the Capital Adjustment Account	1,109	368
Balance at 31 March	(51,765)	(32,226)

The Reserve was created on 1 April 2007 and contains only revaluation gains accumulated since that date. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account. The balance on the reserve is reduced when assets with accumulated gains are revalued downwards or impaired and the gains are lost; used in the provision of services and the gains are consumed through depreciation; or disposed of and the gains are realised.

*: Unusable Reserve balances at 1 April 2021 were amended on implementation of a new asset register which necessitated the review of all non-current asset valuations/existence and consequently required adjustments to the gains or losses carried in the Revaluation Reserve and Capital Adjustment Account.

41.2.3 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

Financial Instruments Adjustment Account	2022/2023 £000	2021/2022 £000
Balance at 1 April	3,464	3,569
Proportion of premiums incurred in previous financial years to be charged against the Council Fund Balance in accordance with statutory requirements	845	(105)
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	845	(105)
Balance at 31 March	4,309	3,464

41.2.4 Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

Deferred Capital Receipts Reserve	2022/2023 £000	2021/2022 £000
Balance at 1 April	(3,291)	(2,930)
Transfer to the Capital Receipts Reserve upon receipt of cash	140	135
Adjustment to Deferred Receipts on Revaluation of Asset Leased to Third Party	0	(496)
Balance at 31 March	(3,151)	(3,291)

41.2.5 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid

Pensions Reserve	2022/2023 £000	2021/2022 £000
Balance at 1 April	291,885	348,288
Remeasurement of pensions assets & liabilities	(237,700)	(76,461)
Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income & Expenditure Statement	34,808	34,213
Employer's pensions contributions and direct payments to pensioners payable in the year	(15,771)	(14,155)
Balance at 31 March	73,222	291,885

41.2.6 Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from this Account. In 2022/2023, £2.826m of accruals for the preceding year were settled or cancelled and £2.122m was accrued at 31 March 2021 (2021/2022: £2.585m of accruals for the preceding year were settled or cancelled and £2.826m was accrued at year end).

41.2.7 Summary of Unusable Reserves

The Authority holds the following reserve balances that are classed as unusable:

Unusable Reserves	2022/2023 £000	2021/2022 £000
Capital Adjustment Account	(132,649)	(98,416)
Revaluation Reserve	(51,765)	(32,226)
Financial Instruments Adjustment Account	4,309	3,464
Deferred Capital Receipts Reserve	(3,151)	(3,291)
Pensions Reserve	73,222	291,885
Accumulated Absences Account	2,122	2,826
Total Unusable Reserves:	(107,912)	164,242

Cash Flow Notes

42. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

42.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2022/2023 £000	2021/2022 £000
Depreciation & Impairment	10,591	3,263
REFCUS (deferred charges)	2,789	2,308
Effective interest adjustment	48	46
Soft loan adjustment	950	912
Net IAS19 charges made for Retirement Benefits	34,808	34,213
IAS19 Employers Contributions Paid to Pension Fund	(15,771)	(14,155)
	33,415	26,587
Increase/(Decrease) in Provisions	183	(359)
(Increase)/Decrease in Inventories	1,421	(1,208)
(Increase)/Decrease in Revenue Debtors	(201)	(2,220)
Increase/(Decrease) in Revenue Creditors	(4,193)	5,510
Total	30,625	28,310

42.2 Investing or Financing Activities Included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2022/2023 £000	2021/2022 £000
(Gain)/Loss on Disposal of fixed assets	(456)	1,091
Capital Grants credited to CIES	(17,748)	(13,553)
Total	(18,204)	(12,462)

42.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2022/2023 £000	2021/2022 £000
Interest Received	(1,738)	(95)
Interest Paid	3,703	3,504
Net Total	1,965	3,409

43. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments

43.1 Investing Activities

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Purchase of Non-Current Assets	(32,301)	(10,926)
Other Capital Cash Payments	(12,065)	(21,000)
	(44,366)	(31,926)
Cash Inflows		
Sale of Non-Current Assets	457	606
Other Receipts from Investing Activities	14,843	15,964
	15,300	16,570
Total	(29,066)	(15,356)

43.2 Financing Activities

The cash flows for financing activities consist of the following:

Cash Flow - Financing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Repayments of Amounts Borrowed	(81,318)	(81,918)
Capital Element of Finance Lease Rental Payments	(157)	(104)
	(81,475)	(82,022)
Cash Inflows		
New Loans Raised	14,578	825
New Short-Term Loans	56,000	73,050
	70,578	73,875
Total	(10,897)	(8,147)

43.3 Liabilities arising from Financing Activities

Movement in liabilities arising from financing activities are as follows:

Cash Flow - Liabilities arising from Financing Activities	2022/2023 £000	2021/2022 £000
Opening Liabilities arising from Financing Activities	231,585	239,185
Cash inflows relating to borrowing and investments	70,575	73,875
Repayments of Amounts Borrowed	(81,318)	(81,918)
Capital Element of Finance Lease Rental Payments	(157)	(104)
Net Cash Flows from Financing Activities	(10,900)	(8,147)
Adjustments for Non-Cash and Other Financing Activities		
Effective Interest Adjustment	48	46
Finance Lease Additions	0	501
	48	547
Closing Liabilities arising from Financing Activities	220,733	231,585

44. Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2022/2023 £000	2021/2022 £000
Cash Held by the Authority	53	52
Bank Accounts	(4,117)	8,860
Short Term Investments	54,000	79,000
Total Cash & Cash Equivalents	49,936	87,912

Other Notes

45. Joint Arrangements - Cardiff Capital Region City Deal (CCRCD)

On 1 March 2017, the Cardiff Capital Region City Deal between the UK Government, the Welsh Government and the 10 constituent Councils in South East Wales, including Blaenau Gwent, was formally ratified. The City Deal offers the opportunity to deliver an investment package of £1.2 billion into the City Region economy between now and 2036. Whilst much of this is already earmarked for certain activities, particularly investment in the South East Wales Metro, there are funds available as part of the £1.2 billion to leverage wider economic benefits. The City Deal has a number of key targets. Notably, these include the creation of 25,000 new jobs by 2036, leveraging £4 billion of private sector investment and securing economic growth.

In the final quarter of 2017/2018, all ten Councils agreed the Joint Working Agreement Business Plan, which provides detail on the key themes or workstreams for future investment activity. In addition, the re-scheduling of finance was agreed for the first significant investment (the Compound Semi-Conductor project).

The CCRCD Investment Fund comprises two distinct elements:-

- The METRO scheme of £734 million. This will comprise £503m Welsh Government funding provided over the first seven years of the Investment Fund, from 2016/2017 to 2022/2023; £106 million from the European Development Fund, (which is committed and guaranteed following Brexit by both UK and Welsh Government); and £125m from UK Government. This element will be the direct responsibility of Welsh Government.
- The Investment Fund of £495m – comprising the ten Local Authorities' commitment to borrow £120 million over the 20 year period of the Fund, together with £375m from UK Government, for investment in infrastructure, housing, skills and training, innovation, business growth and "Metro plus" transport proposals. This element will be the responsibility of the CCRCD Regional Cabinet. Based on the agreed proportion of total population for the City Deal area, Blaenau Gwent's share of the financial contributions is 4.6%.

The CCRCD Joint Working Agreement Business Plan provides indicative Wider investment Fund expenditure totalling £495m over a 20 year period, with profiled expenditure between 2019/2020 to 2020/2021 (prior to the Gateway Review) of £65.7m. This profile is based on currently approved projects and assumptions around potential future revenue and capital projects and is subject to amendment as business plans are approved and funding applied.

Of the £120m Local Authority funding commitment to the Wider Investment Fund, Blaenau Gwent's share is £5.544m. This will be paid by the Authority over a period of up to 20 years, subject to the requirement to fund schemes as and when they are approved. Prior to the Gateway Review in 2021, Blaenau Gwent's estimated capital contributions are £1.285m, and this amount has been included in the Capital Programme. Over that same period, estimated revenue costs falling to the Authority total £0.139m.

Since inception, City Deal has evolved from a single funding program to the multiple funding functions and accountabilities of a wider City Region, which would be best managed via a Corporate Joint Committee. The South East Wales Corporate Joint Committee Regulations 2021 established a Corporate Joint Committee (CJC) for the Cardiff City Region, which came into effect on 1 April 2021. It was anticipated that the CJC would assume full delivery of the City Deal programme during 2021/2022 and in order to provide business continuity during the transition period, a 'twin-track' approach was adopted. During this initial phase, the CJC operated at a 'bare minimum', ahead of setting its first statutory budget on 31 January 2022. However, a number of technical/legal issues have delayed the process of full delivery by the CJC, but these are expected to be resolved during the 2022/2023 financial year.

The Authority's share of assets, liabilities, reserves, income, expenditure and cashflows relating to the Cardiff Capital Region City Deal Group have been included as a joint arrangement in the single entity accounting statements and disclosures. Summary accounting statements for the CCRCD Group are as follows:

45.1 CCRCD - Summary Group Comprehensive Income & Expenditure Statement

	2022/2023		2021/2022	
	CCRCD Group £000	Blaenau Gwent Apportionment £000	CCRCD Group £000	Blaenau Gwent Apportionment £000
Summary CCRCD Group Comprehensive Income & Expenditure Statement				
Cost of Services				
Operating Expenditure	23,247	1,074	6,273	290
Operating Income	(24,176)	(1,117)	(8,592)	(397)
Net Cost of Services	(929)	(43)	(2,319)	(107)
Financing and Investment Income & Expenditure	849	39	(56)	(3)
Taxation & Non-Specific Grant Income	(28,220)	(1,304)	(5,181)	(238)
Tax Expenses	(158)	(7)	488	22
(Surplus)/Deficit on Provision of Services	(28,458)	(1,315)	(7,068)	(326)

45.2 Cardiff Capital Region City Deal - Summary Group Movement in Reserves Statement

Summary CCRC Group Movement in Reserves Statement	CCRC Group			Blaenau Gwent Apportionment		
	Usable Reserves	Unusable Reserves	Total Reserves	Usable Reserves	Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2021	(2,951)	(40,969)	(43,920)	(130)	(1,893)	(2,023)
Adjustment to Opening Balance	(6,981)	6,939	(42)	(329)	321	(8)
Revised Balance at 1 April 2021	(9,932)	(34,030)	(43,962)	(459)	(1,572)	(2,031)
(Surplus)/Deficit on Provision of Services	(7,068)	0	(7,068)	(326)	0	(326)
Adjustments between accounting basis & funding basis	4,026	(2,465)	1,561	186	(115)	71
Transfers to/(from) earmarked reserves	(1,537)	(24)	(1,561)	(71)	0	(71)
Net(Increase)/Decrease	(4,579)	(2,489)	(7,068)	(211)	(115)	(326)
Balance at 31 March 2022	(14,511)	(36,519)	(51,030)	(670)	(1,687)	(2,357)
Balance at 1 April 2022	(14,511)	(36,519)	(51,030)	(670)	(1,687)	(2,357)
Adjustment to Opening Balance	612	14	626	28	0	28
Revised Balance at 1 April 2022	(13,899)	(36,505)	(50,404)	(642)	(1,687)	(2,329)
(Surplus)/Deficit on Provision of Services	(28,458)	0	(28,458)	(1,315)	0	(1,315)
Adjustments between accounting basis & funding basis	29,435	(27,431)	2,004	1,360	(1,267)	93
Transfers to/(from) earmarked reserves	(9,963)	7,959	(2,004)	(460)	368	(92)
Net(Increase)/Decrease	(8,986)	(19,472)	(28,458)	(415)	(899)	(1,314)
Balance at 31 March 2023	(22,885)	(55,977)	(78,862)	(1,057)	(2,586)	(3,643)

45.3 Cardiff Capital Region City Deal - Summary Group Balance Sheet

Summary CCRC Group Balance Sheet	2022/2023		2021/2022	
	CCRC Group £000	Blaenau Gwent Apportionment £000	CCRC Group £000	Blaenau Gwent Apportionment £000
Non-Current Assets	94,784	4,379	51,634	2,385
Current Assets	68,673	3,172	76,230	3,521
Current Liabilities	(38,033)	(1,757)	(49,091)	(2,268)
Non-Current Liabilities	(46,562)	(2,151)	(27,743)	(1,281)
Total Net Assets	78,862	3,643	51,030	2,357
Usable Reserve	(22,885)	(1,057)	(14,511)	(670)
Unusable Reserve	(55,977)	(2,586)	(36,519)	(1,687)
Total Reserves	(78,862)	(3,643)	(51,030)	(2,357)

45.4 Cardiff Capital Region City Deal - Summary Group Cash Flow Statement

Summary CCRC Group Cash Flow Statement	2022/2023		2021/2022	
	CCRC Group £000	Blaenau Gwent Apportionment £000	CCRC Group £000	Blaenau Gwent Apportionment £000
Net Surplus/(Deficit) on the provision of services	(28,458)	(1,315)	(7,068)	(326)
Adjustments to the provision of Services for non-cash movements	43,611	2,015	7,366	340
Net Cash Inflows/(Outflows) from Operating Activities	15,153	700	298	14
Investing Activities	38,801	0	5,420	250
Financing Activities	(39,649)	0	(23,460)	(1,084)
Net increase or (decrease) in cash and cash equivalents	14,305	700	(17,742)	(820)
Cash and Cash equivalents at the beginning of the reporting period	(69,098)	(3,192)	(51,356)	(2,366)
Adjustment to Cash and Cash equivalents opening balance	0	0	0	(6)
Cash and cash equivalents at the end of the reporting period	(54,793)	(2,492)	(69,098)	(3,192)

46. Joint Arrangements - Other

The Authority participates in a number of joint arrangements as a means of delivering services in a more efficient and cost-effective manner. In assessing the joint arrangements in which Blaenau Gwent participates, it has been concluded in each case that no separate legal entity exists and that the Authority does not have control (as defined by the Accounting Code and IFRS10). Consequently, the accounts of these arrangements have not been consolidated in the group accounting statements. In each case, the relevant service line of the Comprehensive Income and Expenditure Account reflects the following transactions occurring between the Authority and the joint arrangement:

Joint Arrangements	2022/2023		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Greater Gwent Cremation Joint Committee	0	(72)	(72)
Gwent Joint Records Committee	154	0	154
Gwent Transport Unit	953	0	953
South East Wales Strategic Planning Group	1	0	1
Total	1,108	(72)	1,036

Joint Arrangements	2021/2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Greater Gwent Cremation Joint Committee	0	(138)	(138)
Gwent Joint Records Committee	143	0	143
Gwent Transport Unit	1,156	0	1,156
South East Wales Strategic Planning Group	1	0	1
Total	1,300	(138)	1,162

46.1 Greater Gwent Cremation Joint Committee (GGCJC)

The Cremation Joint Committee provides cremation services to the residents of the Greater Gwent area through a facility based at Croesyceiliog, Cwmbran. Further details of the arrangement can be obtained from the lead Authority for the joint committee, Newport City Council.

46.2 Gwent Joint Records Committee (GJRC)

The Gwent Record Office provides the statutory archive service for 5 Local Authorities in the Greater Gwent area. It was founded as the Monmouthshire Record Office in 1938 and moved to Cwmbran in the 1970s. In 2010 a new Gwent Archives Joint Agreement was signed providing for the joint service for the next quarter century and for the construction of a new facility at the General Offices site in Ebbw Vale. This facility opened to the public in October 2011. Further details of the joint arrangement can be obtained from the lead Authority, Torfaen CBC.

46.3 Gwent Transport Unit (GTU)

The GTU is responsible for passenger transport co-ordination in Blaenau Gwent and Torfaen. The principal activities are procurement and monitoring of local bus services; provision of timetables, transport guides and leaflets; and administration of the concessionary fares scheme. Blaenau Gwent CBC was the lead Authority for the GTU, with responsibility transferring to Torfaen CBC on 1 May 2016.

The majority of transactions administered by the unit are associated with concessionary fares, bus subsidies, local transport services grant and 'section 106', the costs of which are allocated based on direct spend relative to the use of each service within the relevant local authority area. Administration costs of the joint arrangement are apportioned between the two Authorities, with Blaenau Gwent being charged 49.54% of these costs. The share of balances apportioned to Blaenau Gwent CBC for the GTU is also 49.54%.

46.4 South East Wales Strategic Planning Group (SEWSPG)

The South East Wales Strategic Planning Group (SEWSPG) produces regional planning guidance for South East Wales in partnership with 10 other local planning authorities in the region, and the Brecon Beacons National Park Authority.

The financial arrangements for the group are provided by the participating authorities on a rota basis - for 2022/2023, Blaenau Gwent was the host Authority, overseeing the following transactions:

South East Wales Strategic Planning Group	2022/2023 £000	2021/2022 £000
Balance at 1 April	(46)	(41)
Receipts (Member Subscriptions)	(5)	(5)
Payments	0	0
Balance at 31 March	(51)	(46)

47. Charitable Trusts

The Authority acts as trustee for the following charitable trusts:

- Bedwellty House and Park
- Cwm, Ebbw Vale and Tredegar Recreation Grounds.

Bedwellty Park is a 26 acre historic park and landscape. It has 6 listed structures within its grounds including a Grade II listed ironmaster's dwelling. The site has been the subject of a £5 million restoration project and is now a public open access space available for events such as weddings, art exhibitions and displays.

Cwm, Ebbw Vale and Tredegar recreation grounds are open access outdoor spaces used for sporting activities such as rugby, football, cricket and walking.

The summarised transactions for these charitable trusts are as follows:

Summary Statement of Financial Activities	2022/2023					2021/2022				
	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000	Bedwellty House & Park £000	Cwm Recreation Ground £000	Ebbw Vale Recreation Ground £000	Tredegar Recreation Ground £000	Total £000
Income										
Donations & Legacies	(104)	(1)	(26)	(3)	(134)	(104)	(2)	(11)	(9)	(126)
Other	0	(2)	(4)	(3)	(9)	0	(2)	(2)	(4)	(8)
Total Income	(104)	(3)	(30)	(6)	(143)	(104)	(4)	(13)	(13)	(134)
Expenditure										
Charitable Activities	111	3	30	6	150	117	4	13	13	147
Other	104	0	0	0	104	104	0	0	0	104
Total Resources Expended	215	3	30	6	254	221	4	13	13	251
Net Expenditure	111	0	0	0	111	117	0	0	0	117
Transfers between funds	(111)	0	0	0	(111)	(117)	0	0	0	(117)
Net Movement in Funds	0	0	0	0	0	0	0	0	0	0

Property, Plant and Equipment assets held by the charitable trusts are as follows:

Charitable Trusts - Property, Plant & Equipment	2022/2023			2021/2022		
	Gross Book Value	Accumulated Depreciation	Net Book Value	Gross Book Value	Accumulated Depreciation	Net Book Value
	£000	£000	£000	£000	£000	£000
Bedwellty House and Park	5,571	(1,036)	4,535	5,571	(919)	4,652
Cwm Recreation Ground	15	(15)	0	15	(15)	0
Ebbw Vale Recreation Ground	298	(107)	191	298	(94)	204
Tredegar Recreation Ground	86	(76)	10	86	(69)	17
Total	5,970	(1,234)	4,736	5,970	(1,097)	4,873

The Authority also acts as sole trustee for 30 education trust funds, the main purpose of which is the provision of prizes to pupils based on examination success. At year-end, balances held were as follows:

Education Trust Funds	2022/2023	2021/2022
	£000	£000
Cash	57	56
Balance at 31 March	57	56

...the Statement of Group Accounts comprise the group financial statements and notes, including the summary of significant group accounting policies...



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Group Comprehensive Income and Expenditure Statement

The Group Comprehensive Income and Expenditure Statement (GCIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Amounts relating to expenditure are disclosed as positive and

amounts relating to income are disclosed as negative (i.e. enclosed in brackets). Consequently, total figures disclosed in brackets are surpluses, representing net income to the Group, whilst those not in brackets are deficits, where expenditure exceeds income.

Group Comprehensive Income & Expenditure Statement	2022/2023			2021/2022			Note:	Page:
	Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure		
	£000	£000	£000	£000	£000	£000		
Continuing Operations								
Corporate Services	50,782	(23,272)	27,510	50,308	(24,966)	25,342	G6	121
Education	25,581	(10,221)	15,360	25,322	(9,557)	15,765		
Education - Schools	58,332	(5,954)	52,378	47,619	(7,166)	40,453		
Environment	34,171	(9,742)	24,429	33,646	(11,142)	22,504		
Cardiff Capital Region City Deal	1,074	(1,087)	(13)	318	(396)	(78)		
Regeneration & Economic Development	13,205	(6,884)	6,321	6,761	(4,360)	2,401		
Social Services	79,866	(27,271)	52,595	74,989	(30,655)	44,334		
Licensing	255	(114)	141	226	(111)	115		
Planning	1,465	(457)	1,008	1,491	(729)	762		
Silent Valley	1,893	(296)	1,597	1,662	(155)	1,507	G6	121
Total Deficit on Continuing Services	266,624	(85,298)	181,326	242,342	(89,237)	153,105	G3	119
Other Operating Expenditure	10,932	(539)	10,393	11,770	(1,176)	10,594	G4	120
Financing and Investment Income and Expenditure	25,532	(14,556)	10,976	20,580	(9,057)	11,523	G5	120
Taxation and Non-Specific Grant Income	0	(192,304)	(192,304)	0	(179,355)	(179,355)		
(Surplus)/Deficit on Provision of Services	303,088	(292,697)	10,391	274,692	(278,825)	(4,133)	G3	119
Tax Expenses			(7)			22	42	107
Group (Surplus)/Deficit			10,384			(4,111)	G3	119
(Surplus)/Deficit Arising on the Revaluation of Non-Current Assets			(20,648)			(7,408)		
Remeasurement of the net defined benefit pension liability			(238,072)			(76,687)	G14.2	127
Other Comprehensive Income & Expenditure			(258,720)			(84,095)	G7	121
Total Group Comprehensive Income & Expenditure			(248,336)			(88,206)	GMiRS	114

Group Movement in Reserves Statement

The Group Movement in Reserves Statement (GMiRS) shows the movement in the year on the different reserves held by the Group.

Group Movement in Reserves Statement	2022/2023			2021/2022			Note	Page
	Total Authority Reserves	Authority's share of Reserves of Subsidiary	Total Group Reserves	Total Authority Reserves	Authority's share of Reserves of Subsidiary	Total Group Reserves		
	£000	£000	£000	£000	£000	£000		
Opening balance at 1 April	79,252	(1,797)	77,455	167,314	(2,071)	165,243		
Adjustments to brought forward balances	(1)	0	(1)	418*	0	418		
Revised balance at 1 April	79,251	(1,797)	77,454	167,732	(2,071)	165,661		
Total Group Comprehensive Income & Expenditure	(247,914)	(422)	(248,336)	(88,517)	311	(88,206)	GCIES	113
Adjustments between Group Accounts and Authority Accounts	(160)	160	0	37	(37)	0	G8	121
(Increase)/Decrease in year	(248,074)	(262)	(248,336)	(88,480)	274	(88,206)		
Balance at 31 March	(168,823)	(2,059)	(170,882)	79,252	(1,797)	77,455	GBS, G15	115, 129

*: Reserve balances at 1 April 2021 were amended on implementation of a new asset register which necessitated the review of all non-current asset valuations/existence and consequently required adjustments to the gains or losses carried in the Revaluation Reserve and Capital Adjustment Account..

Group Balance Sheet

The Group Balance Sheet (GBS) shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group.

The net assets of the Group (assets less liabilities) are matched by reserves held, reported in two categories:

- Usable reserves are those reserves that the Group may use to provide services, subject to any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt) and the need to maintain a prudent level of reserves.
- Unusable reserves are those that the Group is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Group Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations' (e.g. the Capital Adjustment Account, Pensions Reserve and Accumulated Absences Account).

Group Balance Sheet	31 March 2023		31 March 2022		Note:	Page:
	£000	£000	£000	£000		
Property, Plant & Equipment	353,166		298,438		G9	122-124
Investment Properties	2,938		1,337			
Heritage Assets	726		726			
Non-Current Investments	407		92			
Non-Current Debtors	3,989		4,072			
Sub Total: Long Term Assets		361,226		304,665		
Assets Held for Sale	0		60			
Current Investments	12,065		21,000			
Inventories	1,004		2,425			
Current Debtors	40,672		34,405		G10	125
Deferred Tax Asset	83		62			
Cash and Cash Equivalents	53,292		91,391		G18	132
Sub Total: Current Assets		107,116		149,343		
Current Borrowing	(57,527)		(73,683)			
Current Creditors	(17,609)		(22,467)		G11	125
Current Grants Receipts in Advance	(7,764)		(6,333)			
Current Donated Assets	(615)		(2,112)			
Current Provisions	(1,474)		(1,659)		G12	126
Sub Total: Current Liabilities		(84,989)		(106,254)		
Non-Current Borrowing	(132,498)		(126,923)			
Non-Current Provisions	(3,499)		(3,189)		G12	126
Other Long-Term Liabilities	(76,631)		(295,097)		G13-G14	126-130
Sub Total: Long-Term Liabilities		(212,628)		(425,209)		
Total Net Assets/(Liabilities)		170,725		(77,455)		
Usable Reserves	(62,813)		(86,787)		G15	130
Unusable Reserves	(107,912)		164,242		G15	130
Total Reserves		(170,725)		77,455		

Group Cash Flow Statement

Group Cash Flow Statement	2022/2023		2021/2022		Note:	Page:
	£000	£000	£000	£000		
Net surplus/(deficit) on the provision of services <i>less</i> tax expenses	(10,384)		4,111		GCIES	113
Adjustments to the provision of services for non-cash movements	30,390		28,303		G16.1	130
Adjustments for items included in the provision of services that are investing and financing activities	(18,204)		(12,462)		G16.2	130
Interest received	63		1			
Net Cash Inflows from Operating Activities		1,865		19,953		
Investing activities		(29,067)		(15,376)	G17	131
Financing activities		(10,897)		(8,147)	40.2	106
Net increase or (decrease) in cash and cash equivalents		(38,099)		(3,570)		
Cash and cash equivalents at the beginning of the reporting period		91,391		94,961	GBS, G18	115, 131
Cash and cash equivalents at the end of the reporting period		53,292		91,391	GBS, G18	115, 131

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The Group Cash Flow Statement summarises the cash and cash equivalent transactions of the Group during the reporting period. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash inflows and (outflows) as operating, investing and financing activities.

- The amount of net cashflows arising from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation and grant income or from the recipients of services provided.
- Investing activities represent cashflows relating to the acquisition, disposal and funding via capital grant of resources which are intended to contribute to the Group's future service delivery, i.e. non-current assets.

- Cashflows arising from financing activities represent the extent to which borrowing and similar charges have increased/decreased during the year and are useful in predicting claims on future cash flows by providers of capital to the Group.



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G1. Group Accounting Policies

G1.1 General Principles

The Group Accounts summarise the transactions of the Authority and its Subsidiaries for the 2022/2023 financial year. The Accounts have been prepared in accordance with proper accounting practices as required by the Accounts and Audit (Wales) Regulations 2014.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/2023 and the Service Reporting Code of Practice 2022/2023, supported by International Financial Reporting Standards (IFRS). Where there is no relevant IFRS or International Accounting Standard (IAS), reference is made to International Public Sector Accounting Standards (IPSASs); if there is no relevant IPSAS, domestic Financial Reporting Standards (FRSs) are applied.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

In preparing a set of Accounts for the Blaenau Gwent Group, it has been necessary to align the Accounting Policies adopted by the two constituent entities. The Group Policies are largely the same as those used in preparing the Accounts for the Parent Authority, as recorded on pages 24-32. However, where Policies differ, the Group Policy is included in this section.

The staff and activities of the Company transferred to the Council on 28 April 2023. At this point the Company ceased to trade and the remaining assets and liabilities were transferred to the Council by 30 June 2023. The Group Accounts have been prepared using the Accounts prepared by Silent Valley Waste Services Ltd. to 30 June 2023.

G1.2 Intra Group Transactions and Balances

To the extent that balances and transactions have been identified and agreed between Silent Valley Waste Services Ltd. and Blaenau Gwent CBC, these have been eliminated as part of the consolidation process. As total transactions between the parties amount to £1.513m (2021/2022: £1.038m) and are therefore not considered to be material, any differences between identified and actual sums are therefore also not material.

G1.3 Acquisitions and Discontinued Operations

The principal activities of Silent Valley Waste Services Ltd. are waste management, disposal and ancillary services such as recycling and waste collection.

All operations were classified as continuing in 2022/2023 and there were no acquisitions or discontinuations of service (or transfers under machinery of government arrangements) during the financial year.

G1.4 Employee Benefits

G1.4.1 Benefits Payable During Employment

The annual leave entitlement year for staff at SVWS Ltd. ends on 31 March with limited opportunity to carry forward unused balances. No staff carried forward leave at the end of 2022/2023 and consequently no short term compensated absences accrual has been calculated.

G1.4.2 Post Employment Benefits

Employees of Silent Valley Waste Services Ltd. are members of the following pension schemes:

- The Local Government Pensions Scheme, as an admitted body, administered by Torfaen County Borough Council; and
- Silent Valley Defined Contribution Scheme.

Both schemes provide benefits to members (retirement lump sums and pensions), earned as employees work for the company.

The required accounting treatments are as follows:

The Local Government Pension Scheme

As required for a defined benefit scheme, the employers pension costs that are charged to the Group's accounts are equal to the actuarially-calculated liabilities arising as a result of the service effected by employees. Additional costs arising for discretionary benefits paid to staff on retirement have also been accounted for on a liability basis, with the full amount of any such payments being recorded in service accounts in the year of occurrence.

Silent Valley Defined Contribution Scheme

In a defined contribution scheme, the employer has no obligation beyond payment of the agreed contributions. Therefore, the net cost of services in the Group Comprehensive Income and Expenditure Statement is charged with the amount of contributions payable for the year of account. Prepayments or accruals are recorded in the Group Balance Sheet if required.

Further details of the transactions undertaken and required disclosures for the Local Government Pension Scheme, Teachers Pension Scheme and Silent Valley Defined Contribution Scheme can be found in the notes to the Group Accounts.

G1.5 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

G1.5.1 Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Only expenditure in excess of £50,000 has been capitalised by the Parent Authority, with amounts below this threshold being charged directly to revenue. The exceptions to this are highways and health & safety assets that individually fall below this de-minimis level but are capitalised because they are treated as one single item of expenditure in the year and expenditure that has a capital grant approval.

G1.5.2 Measurement

Tangible Non-Current Assets attributable to the Subsidiary are recorded in the accounts on the basis of depreciated historic cost.

G1.5.3 Depreciation

For assets held by Silent Valley Waste Services Ltd., the following standard lives are used in calculating depreciation:

- Leasehold land and buildings – 10 - 15 years; and
- Plant and Machinery – 5 - 13 years.

These standard lives are not significantly different from those used by the Parent Authority, and any differences in calculated depreciation sums are not expected to be material. Consequently, a completely uniform set of standard lives has not been introduced for Group Accounting purposes and no adjustments have been made to depreciation amounts in the Group Comprehensive Income and Expenditure Statement, Group Balance Sheet or Group Cash Flow.

G1.6 Aftercare and Capping Provisions

Provision for the cost of aftercare and site capping was made by establishing a consumption factor which aimed to write off the estimated future costs over the anticipated useful life of the site.

G2. Notes to the Group Financial Statements

These notes should be read in conjunction with the notes to the Authority's Core Financial Statements. Notes have been included to the Group Financial Statements where:

- specifically required by the Accounting Code of Practice;
- a note to the single entity statements has been amended by the consolidation of the subsidiary undertaking; or
- the note relates solely to the activities of the subsidiary and has not been included in the Accounts of the Local Authority.

Group Comprehensive Income & Expenditure Statement Notes**G3. Group Expenditure and Funding Analysis**

The Expenditure & Funding Analysis shows how annual expenditure is used and funded from resources (i.e. government grants, council tax and business rates) by the Group in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes. Income and Expenditure accounted for under generally accepted accounting practices is presented more fully in the Group Comprehensive Income and Expenditure Statement.

Group Expenditure & Funding Analysis	2022/2023					2021/2022				
	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure	Management Account Net Expenditure	Accounting Code Adjustments	Net Expenditure Chargeable to the Council Fund	Funding & Accounting Basis Adjustments	Group CIES Net Expenditure
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Corporate Services	16,212	8,899	25,111	2,397	27,508	16,158	6,711	22,869	2,473	25,342
Education	68,263	(55,230)	13,033	2,327	15,360	63,818	(50,749)	13,069	2,696	15,765
Education - Schools	(4,820)	55,943	51,123	1,255	52,378	(6,228)	49,534	43,306	(2,853)	40,453
Environment	28,828	(10,541)	18,287	6,142	24,429	25,795	(11,278)	14,517	7,987	22,504
Cardiff Capital Region City Deal	0	(13)	(13)	0	(13)	0	107	107	(185)	(78)
Regeneration & Economic Development	1,628	(558)	1,070	5,251	6,321	1,519	(498)	1,021	1,380	2,401
Social Services	50,182	(2,278)	47,904	4,689	52,593	42,749	(3,378)	39,371	4,963	44,334
Licensing	128	(14)	114	27	141	95	(13)	82	33	115
Planning	1,189	(327)	862	146	1,008	798	(218)	580	182	762
Capital Adjustments	0	0	0	0	0	0	(4)	(4)	4	0
Pension Adjustments	0	465	465	(465)	0	0	396	396	(396)	0
Silent Valley	1,597	0	1,597	0	1,597	1,507	0	1,507	0	1,507
Net Expenditure on Continuing Operations	163,207	(3,654)	159,553	21,769	181,322	146,211	(9,390)	136,821	16,284	153,105
Other Operating Expenditure	(82)	10,574	10,492	(99)	10,393	(74)	8,941	8,867	1,727	10,594
Financing & Investment Income & Expenditure	(36)	4,313	4,277	6,699	10,976	1	4,653	4,654	6,869	11,523
Taxation & Non-Specific Grant Income	0	(176,250)	(176,250)	(16,054)	(192,304)	0	(166,745)	(166,745)	(12,610)	(179,355)
(Surplus)/Deficit on the Provision of Services	163,089	(165,017)	(1,928)	12,315	10,387	146,138	(162,541)	(16,403)	12,270	(4,133)
Tax expenses	(7)	0	(7)	0	(7)	22	0	22	0	22
Group (Surplus)/Deficit	163,082	(165,017)	(1,935)	12,315	10,380	146,160	(162,541)	(16,381)	12,270	(4,111)
Transfers to/(from) earmarked reserves			1,775					10,904		
(Increase)/Decrease in year			(160)					(5,477)		
Opening Group Balances as at 1 April			(12,778)					(7,301)		
Closing Group Balances as at 31 March			(12,938)					(12,778)		

G4. Other Operating Expenditure

Other Operating Expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2022/2023			2021/2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Other Operating Expenditure						
Parent:						
(Gains)/losses on the Disposal of Non-Current Assets	280	(457)	(177)	1,696	(1,102)	594
Precepts & Levies	10,652	0	10,652	10,074	0	10,074
Subsidiary:						
Income from energy generation	0	(82)	(82)	0	(74)	(74)
Total	10,932	(539)	10,393	11,770	(1,176)	10,594

G5. Financing and Investment Income and Expenditure

Financing and investment income and expenditure in the Group Comprehensive Income and Expenditure Statement consists of the following:

	2022/2023			2021/2022		
	Gross Expenditure £000	Gross Income £000	Net Expenditure £000	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
Financing and Investment Income and Expenditure						
Change in Fair Value of Investment Property *	0	0	0	5	0	5
Impairment **	194	0	194	190	0	190
Interest payable and similar charges - Financial Instruments	4,708	0	4,708	4,464	0	4,464
Interest payable and similar charges - Other ***	5	0	5	5	0	5
Interest receivable and similar income - Financial Instruments	0	(1,789)	(1,789)	0	(77)	(77)
Interest receivable and similar income - Other ****	0	(202)	(202)	0	(182)	(182)
Net Pensions Interest	20,625	(12,565)	8,060	15,916	(8,798)	7,118
Total	25,532	(14,556)	10,976	20,580	(9,057)	11,523

*: Authority proportion of Cardiff Capital Region City Deal investment properties.

** : Movement in allowances for expected credit losses on financial assets.

***: Interest on finance leases and school balances.

****: Interest on (lessor) finance leases, bank charges, car loans and contractor bonds.

G6. External Audit Fees

The Group incurred the following fees relating to External Audit and inspection:

External Audit Fees	2022/2023 £000	2021/2022 £000
Fees payable in respect of:		
External audit services - Final Accounts	206	198
Silent Valley external audit services - Final Accounts	16	12
External audit services - Local Government Measures	112	108
Certification of grant claims and returns	52	50
Other services	50	0
Total Audit Fees	436	368

External Audit services for Blaenau Gwent CBC are provided by Audit Wales; for Silent Valley Waste Services Ltd. by Azets Audit Services.

Group Movements in Reserves Notes**G7. Other Comprehensive Income and Expenditure**

The following unrealised gains or losses and actuarial gains or losses arose during the year:

Other Comprehensive Income & Expenditure	2022/2023 £000	2021/2022 £000
(Surplus)/Deficit arising on the revaluation of Non-Current Assets	(20,648)	(7,408)
Remeasurement of the net defined benefit pension liability	(238,072)	(76,687)
Other Comprehensive Income & Expenditure	(258,720)	(84,095)

G8. Adjustments between Parent and Group Movement in Reserves Statements

In preparing the Group Movement in Reserves Statement, the following adjustments were made for intra-group transactions:

Adjustments between Single Entity and Group Movement in Reserves Statements	31 March 2023		31 March 2022	
	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000	Total Authority Reserves £000	Authority's share of Reserves of Subsidiary £000
Adjustments between Group Accounts and Authority Accounts:				
Expenditure	(1,497)	1,497	(1,061)	1,061
Income	97	(97)	151	(151)
Debtors & Creditors	(130)	130	13	(13)
Retained Profits	933	(933)	461	(461)
Accumulating Dividend	725	(725)	725	(725)
Less cumulative adjustments brought forward	(288)	288	(252)	252
Total intra-group adjustments	(160)	160	37	(37)

Group Balance Sheet Notes

G9. Property Plant & Equipment

G9.1 Carrying Amount of Non-Current Assets

The Carrying Amount of Group Non-Current Assets in the Balance Sheet can be divided between Infrastructure and 'Other PPE' Assets as follows:

	31 March 2023	31 March 2022
	£000	£000
Property, Plant & Equipment		
Infrastructure Assets	89,958	92,312
Other PPE Assets	263,208	206,126
Net Book Value	353,166	298,438

G9.2 Carrying Amount of Infrastructure Assets

CIPFA has issued a temporary adjustment to the Accounting Code of Practice in relation to the disclosure of Infrastructure Assets. This requires that local authorities are not required to report gross book value and accumulated depreciation for Infrastructure Assets.

The movement in the Group Net Book Value of Infrastructure Assets has therefore been represented as follows:

	2022/2023	2021/2022
	£000	£000
Infrastructure Assets		
Net Book Value at 1 April	92,312	92,700
Adjustment to Balances Brought Forward	0	785
Revised Net Book Value at 1 April	92,312	93,485
Additions	1,086	2,196
Capital expenditure written off	0	(98)
Other movements in cost or valuation	92*	203**
Depreciation Charge & Appropriations	(3,532)	(3,474)
Net Book Value at 31 March	89,958	92,312

In accordance with provision 24L of The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022), where works have been undertaken to existing Infrastructure Assets, the carrying amount of any component that has been replaced has been determined as being nil.

G9.3 Carrying Amount of 'Other' Property, Plant & Equipment Assets

The gross carrying amount and accumulated depreciation relating to Property, Plant and Equipment (excluding Infrastructure Assets) was:

	31 March 2023	31 March 2022
	£000	£000
Property, Plant & Equipment (Excluding Infrastructure)		
Gross Carrying Amount	282,436	222,281
Accumulated Depreciation	(19,228)	(16,155)
Net Book Value	263,208	206,126

Details of the transactions relating to the carrying amounts and depreciation of non-current assets (excluding Infrastructure Assets) are set out on pages 123-124.

Movements in 2022/2023:

Property, Plant & Equipment Movements (Excluding Infrastructure)	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2022	179,322	18,907	106	3,061	20,885	222,281
Adjustment to Balances brought Forward	0	0	0	0	0	0
Revised Cost or Valuation as at 1 April 2022	179,322	18,907	106	3,061	20,885	222,281
Appropriations	6,511	0	0	(190)	(6,321)	0
Assets reclassified to/from held for sale	(140)	0	0	35	0	(105)
Additions	0	1,390	0	0	2,231	3,621
Revaluation increases/(decreases) recognised in the Revaluation Reserve	18,435	0	0	(139)	0	18,296
Revaluation increases/(decreases) recognised in the Provision of Services	(1,336)	0	0	117	0	(1,219)
Capital expenditure written off	0	0	0	0	0	0
Derecognition - disposals	0	0	0	(115)	0	(115)
Other movements in cost or valuation	1,815	263	0	0	37,599	39,677
Cost or Valuation as at 31 March 2023	204,607	20,560	106	2,769	54,394	282,436

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2022	(4,553)	(11,573)	(14)	(15)	0	(16,155)
Adjustment to Balances brought Forward	0	0	0	0	0	0
Revised Accumulated Depreciation & Impairment as at 1 April 2022	(4,553)	(11,573)	(14)	(15)	0	(16,155)
Depreciation Charge & Appropriations	(5,518)	(1,331)	0	12	0	(6,837)
Depreciation written out to the Revaluation Reserve	2,235	0	0	0	0	2,235
Depreciation written out to the Surplus/Deficit on the Provision of Services	1,562	0	0	0	0	1,562
Derecognition - disposals	(10)	(23)	0	0	0	(33)
Accumulated Depreciation & Impairment as at 31 March 2023	(6,284)	(12,927)	(14)	(3)	0	(19,228)

Movements in 2021/2022:

Property, Plant & Equipment Movements (Excluding Infrastructure)	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Cost or Valuation as at 1 April 2021	174,988	18,387	344	4,231	14,529	212,479
Adjustment to Balances Brought Forward	(785)	(1,098)	(293)	30	(1,221)	(3,367)
Revised Cost or Valuation as at 1 April 2021	174,203	17,289	51	4,261	13,308	209,112
Assets reclassified to/from held for sale	0	(496)	0	(1,200)	0	(1,696)
Additions	0	1,755	0	0	4,158	5,913
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,051	0	0	0	0	2,051
Revaluation increases/(decreases) recognised in the Provision of Services	2,676	0	0	0	0	2,676
Capital expenditure written off	(971)	(55)	(26)	0	0	(1,052)
Other movements in cost or valuation	1,363	414	81	0	3,419	5,277
Cost or Valuation as at 31 March 2022	179,322	18,907	106	3,061	20,885	222,281

Property, Plant & Equipment (Excluding Infrastructure): Depreciation & Impairment	Operational Assets					Total Property, Plant & Equipment £000
	Other Land and Buildings £000	Vehicles, Plant and Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	
Accumulated Depreciation & Impairment as at 1 April 2021	(9,617)	(12,559)	(14)	(13)	0	(22,203)
Adjustment to Balances Brought Forward	(200)	2,319	0	1	0	2,120
Adjusted Accumulated Depreciation & Impairment as at 1 April 2021	(9,817)	(10,240)	(14)	(12)	0	(20,083)
Depreciation Charge & Appropriations	(3,658)	(1,302)	0	(3)	0	(4,963)
Depreciation written out to the Revaluation Reserve	4,777	0	0	0	0	4,777
Depreciation written out to the Surplus/Deficit on the Provision of Services	4,154	0	0	0	0	4,154
Derecognition - disposals	(9)	(31)	0	0	0	(40)
Accumulated Depreciation & Impairment as at 31 March 2022	(4,553)	(11,573)	(14)	(15)	0	(16,155)

G10. Current Debtors

Amounts owing to the Group were as follows:

Current Debtors	31 March 2023				31 March 2022			
	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors	Gross Debtors	Impairment	Prepayments	Total Net Current Debtors
	£000	£000	£000	£000	£000	£000	£000	£000
Welsh Government	20,096	0	0	20,096	17,000	0	0	17,000
Other Central Government	5,850	0	0	5,850	4,300	0	0	4,300
Local Authorities	3,391	(97)	0	3,294	2,653	(55)	0	2,598
NHS	2,002	(58)	0	1,944	1,700	(50)	0	1,650
Council Tax Arrears	8,184	(3,368)	0	4,816	7,677	(3,068)	0	4,609
Other Entities & Individuals	5,459	(1,611)	453	4,301	4,175	(1,437)	414	3,152
Trade	675	(369)	65	371	1,305	(463)	254	1,096
Total Current Debtors:	45,657	(5,503)	518	40,672	38,810	(5,073)	668	34,405

G11. Current Creditors

Amounts owed by the Group were as follows:

Current Creditors	31 March 2023			31 March 2022		
	Creditors	Receipts in Advance	Total Current Creditors	Creditors	Receipts in Advance	Total Current Creditors
	£000	£000	£000	£000	£000	£000
Welsh Government	(274)	0	(274)	(88)	0	(88)
Other Central Government	(692)	(8)	(700)	(1,429)	0	(1,429)
Local Authorities	(944)	(98)	(1,042)	(1,152)	(72)	(1,224)
NHS	(270)	0	(270)	(395)	0	(395)
Capital Creditors	(2,434)	0	(2,434)	(4,527)	0	(4,527)
Council Tax Credits	(1,135)	0	(1,135)	(946)	0	(946)
Other Entities and Individuals	(9,034)	(370)	(9,404)	(9,751)	(339)	(10,090)
Trade	(2,350)	0	(2,350)	(3,768)	0	(3,768)
Total Current Creditors:	(17,133)	(476)	(17,609)	(22,056)	(411)	(22,467)

G12. Provisions

Details of the purposes of the Authority's provisions can be found in note 35.1, pages 80-81. Movements in the Group provisions during 2022/2023 were as follows:

	Balance at 1 April 2022	Amounts Used in 2022/2023	Unused Amounts Reversed in 2022/2023	Additional Provisions made in 2022/2023	Balance at 31 March 2023
	£000	£000	£000	£000	£000
Provision Movements					
Current Provisions					
Employee Provisions:					
Parent's Employee Provisions	(55)	55	0	(2)	(2)
Other Provisions:					
Parent's Other Provisions	(1,236)	185	414	(467)	(1,104)
Silent Valley Aftercare	(368)	58	0	(58)	(368)
	(1,659)	298	414	(527)	(1,474)
Non-Current Provisions					
Parent's Provisions	(1,696)	184	350	(902)	(2,064)
Silent Valley Aftercare	(1,493)	0	58	0	(1,435)
	(3,189)	184	408	(902)	(3,499)
Total Provisions:	(4,848)	482	822	(1,429)	(4,973)

Silent Valley Waste Services Ltd. hold a provision for Aftercare to provide for estimated costs of maintaining the landfill site after capping works have been completed. The timescale for utilisation of the provision is over a period of 60 years following closure of the site. Due to the timescales involved there are inherent uncertainties regarding the level and value of aftercare works required.

G13. Other Long-Term Liabilities

The Group holds the following balances as long-term liabilities:

	31 March 2023	31 March 2022
	£000	£000
Other Long-Term Liabilities		
Cardiff Capital Region City Deal Non-Current Creditor	(2,148)	(1,282)
Deferred Liabilities	(264)	(421)
Net Pensions Liability	(74,219)	(293,394)
Total	(76,631)	(295,097)

G14. Post-Employment Benefits

Retirement benefits are offered to the Group's employees which, although not actually payable until employees retire, represent a commitment by the Group that needs to be disclosed in the Accounts in the financial period in which the entitlement to benefits arises (i.e. when earned by employees through service provided).

The Group participates in three formal schemes: an independently administered defined contribution scheme for employees of Silent Valley Waste Services Ltd., the Teachers' Pension Scheme administered by Capita Teachers' Pensions and the Local Government Pension Scheme administered by Torfaen CBC. A number of employees of Silent Valley Waste Services Ltd. are members of the Local Government Pension Scheme, of which the company is an admitted body.

G14.1 Defined Contribution Schemes

Silent Valley

A defined contribution scheme was established by the Company in November 1995. The assets of the scheme are held separately from the Company in independently administered funds. Employer contributions to this fund are at a rate of between 6% and 12% of members' pensionable earnings.

In 2022/2023, the total defined contribution scheme charge to the Group CIES was £0.161m (2021/2022: £0.139m). There were no outstanding contributions to the scheme at 31 March 2022 or 31 March 2023.

Teachers' Pension Scheme

Teachers employed by Blaenau Gwent CBC are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions.

Further details of this Scheme and the Authority's contributions can be found in the notes to the Single Entity Core Statements (notes 39 & 40, pages 88-97)

G14.2 Defined Benefit Scheme

The Local Government Scheme is a funded defined benefit Career Average Revalued Earnings (CARE) scheme, in which the Group and employees make contributions calculated at a level intended to balance pension liabilities arising with investment assets. The contribution rate is determined by the Fund's Actuary based on triennial valuations, the last review being 31 March 2022.

Further information can be found in the Greater Gwent (Torfaen) Pension Fund's Annual Report which is available upon request from the Chief Financial Officer, Torfaen County Borough Council, Civic Centre, Pontypool, NP4 6YB.

The cost of retirement benefits are recognised in the 'Net Cost of Services' section of the Group Comprehensive Income & Expenditure Statement when those benefits are earned by employees, rather than when the benefits are actually paid as pensions.

The following pension scheme transactions have been made in the Group Comprehensive Income and Expenditure Statement during the year:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Group Pension Scheme Transactions						
Group Comprehensive Income & Expenditure Statement:						
Cost of Services:						
Current Service Costs	26,414	0	26,414	26,895	0	26,895
Other Service Costs	434	0	434	264	0	264
Total Service Cost:	26,848	0	26,848	27,159	0	27,159
Financing and Investment Income and Expenditure:						
Interest on Plan Assets	(12,571)	0	(12,571)	(8,796)	0	(8,796)
Interest on Defined Benefit Liabilities	19,775	856	20,631	15,217	697	15,914
Net Interest:	7,204	856	8,060	6,421	697	7,118
Total Charged to the Surplus/Deficit on Provision of Services:	34,052	856	34,908	33,580	697	34,277
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement:						
Return on plan assets (excluding amounts included in Net Interest)	21,563	0	21,563	(17,615)	0	(17,615)
Actuarial (Gains)/Losses arising from changes in demographic assumptions	(275,095)	(498)	(275,593)	(3,950)	(321)	(4,271)
Actuarial (Gains)/Losses arising from changes in financial assumptions	1,402	(6,479)	(5,077)	(53,531)	(1,286)	(54,817)
Experience (Gains)/Losses on defined benefit liabilities	20,003	1,032	21,035	459	(443)	16
Total remeasurement recognised in Other Comprehensive Income & Expenditure	(232,127)	(5,945)	(238,072)	(74,637)	(2,050)	(76,687)
Total Charged to the Group Comprehensive Income & Expenditure Statement:	(198,075)	(5,089)	(203,164)	(41,057)	(1,353)	(42,410)

No adjusting entries are made in relation to the Silent Valley Waste Services Pension Scheme transactions and consequently there are no changes to the relevant entries made in the Parent Movement in Reserves Statement.

Transactions in respect of the fair value of pension scheme assets and present value of scheme liabilities are as follows:

	2022/2023			2021/2022		
	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000	Local Government Pension Scheme £000	Teachers' Unfunded Discretionary Pensions £000	Total £000
Pension Scheme Assets						
Balance at 1 April:	467,693	0	467,693	442,900	0	442,900
Employer Contributions	14,230	1,781	16,011	12,203	1,823	14,026
Member Contributions	3,502	0	3,502	3,181	0	3,181
Benefits Paid	(17,209)	(1,781)	(18,990)	(17,128)	(1,823)	(18,951)
Interest on Plan Assets	12,628	0	12,628	8,839	0	8,839
Remeasurement Gains/(Losses):						
Return on Plan Assets (excluding amounts included in Interest)	(21,734)	0	(21,734)	17,698	0	17,698
Balance at 31 March:	459,110	0	459,110	467,693	0	467,693
Reconciliation of the Movements in Present Value of Scheme Liabilities						
	£000	£000	£000	£000	£000	£000
Balance at 1 April:	(728,502)	(32,585)	(761,087)	(756,969)	(35,761)	(792,730)
Current Service Cost	(26,414)	0	(26,414)	(26,895)	0	(26,895)
Past Service Cost and Curtailments	(158)	0	(158)	(15)	0	(15)
Administration Expenses	(276)	0	(276)	(249)	0	(249)
Interest Cost	(19,832)	(856)	(20,688)	(15,260)	(697)	(15,957)
Member Contributions	(3,502)	0	(3,502)	(3,181)	0	(3,181)
Benefits Paid	17,209	1,781	18,990	17,128	1,823	18,951
Experience Gains/(Losses)	(20,375)	(1,032)	(21,407)	(685)	443	(242)
Actuarial Gains/(Losses) arising from changes in demographic assumptions	275,095	498	275,593	3,950	321	4,271
Actuarial Gains/(Losses) arising from changes in financial assumptions	(859)	6,479	5,620	53,674	1,286	54,960
Balance at 31 March:	(507,614)	(25,715)	(533,329)	(728,502)	(32,585)	(761,087)

The Group's net liability arising from defined benefit scheme obligations can be analysed as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	31 March 2023			31 March 2022		
	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total	Local Government Pension Scheme	Teachers' Unfunded Discretionary Pensions	Total
	£000	£000	£000	£000	£000	£000
Fair Value of Scheme Assets	459,110	0	459,110	467,693	0	467,693
Present Value of Scheme Liabilities	(507,614)	(25,715)	(533,329)	(728,502)	(32,585)	(761,087)
Net Liability:	(48,504)	(25,715)	(74,219)	(260,809)	(32,585)	(293,394)

Entries are included in the Group Balance Sheet for the Group's share of assets and liabilities of the Local Government Pension Scheme. Liabilities relating to Unfunded Teachers' Discretionary Pensions are also included. Disclosed liabilities show the underlying commitment that the Group has in the long term to pay retirement benefits.

The Group holds total usable reserves of £62.813m at 31 March 2023 (£86.787m at 31 March 2022). The effect of applying the net superannuation fund deficit of £74.219m to the Group's usable reserves would be a deficit of £11.406m (2021/2022: the superannuation deficit of £293.394m exceeded usable reserves by £206.607m). Further information regarding the treatment of this deficit can be found in note 39 (page 96).

G15. Reserves

The Silent Valley Profit & Loss Reserve represents the balance of accumulated profit made on trading activities. The transactions and balances on this reserve in the Group Accounts have been adjusted to remove the profit element relating to the Parent. Movements on the Group Usable Reserves were as follows:

Summary: Group Usable Reserves	Net Transfers			Net Transfers	
	1 April 2021	2021/2022	31 March 2022	2022/2023	31 March 2023
	£000	£000	£000	£000	£000
Council Fund	(7,301)	(5,477)	(12,778)	(160)	(12,938)
Silent Valley Profit & Loss Reserve	(2,071)	274	(1,797)	(213)	(2,010)
Parent's Usable Earmarked Reserves	(60,274)	(11,938)	(72,212)	24,347	(47,865)
Total: Usable Reserves	(69,646)	(17,141)	(86,787)	23,974	(62,813)

Group Cash Flow Notes

G16. Reconciliation of the Deficit on the Provision of Services to Net Cash Flows from Operating Activities

The following tables provide details of the adjustments made between the deficit on provision of services to arrive at a figure for operating activities cashflows.

G16.1 Non-Cash Movements

Cash Flow - Adjustments for Non-Cash Movements	2022/2023 £000	2021/2022 £000
Depreciation & Impairment	10,624	3,304
REFCUS (deferred charges)	2,789	2,308
Effective interest adjustment	48	46
Soft loan adjustment	950	912
Net IAS19 charges made for Retirement Benefits	34,808	34,213
IAS19 Employers Contributions Paid to Pension Fund	(15,858)	(14,266)
	33,361	26,517
Increase/(Decrease) in Provisions	78	(375)
(Increase) / Decrease in Inventories	1,421	(1,208)
(Increase) / Decrease in Revenue Debtors	(81)	(2,273)
Increase / (Decrease) in Revenue Creditors	(4,389)	5,642
Total	30,390	28,303

G16.2 Investing or Financing Activities included in the Deficit on Provision of Services

Cash Flow - Adjustments for Investing & Financing Activities	2022/2023 £000	2021/2022 £000
(Gain)/Loss on Disposal of fixed assets	(456)	1,091
Capital Grants credited to CIES	(17,748)	(13,553)
Total	(18,204)	(12,462)

G16.3 Receipts or Payments of Interest included in Operating Activities

Cash Flow - Interest included in Operating Activities	2022/2023 £000	2021/2022 £000
Interest Received	(1,732)	(97)
Interest Paid	3,703	3,504
Net Total	1,971	3,407

G17. Analysis of the Amounts of Major Classes of Gross Cash Receipts and Gross Cash Payments*Investing Activities*

The cash flows for investing activities consist of the following:

Cash Flow - Investing Activities	2022/2023 £000	2021/2022 £000
Cash Outflows		
Purchase of Non-Current Assets	(32,302)	(10,946)
Other Capital Cash Payments	(12,065)	(21,000)
	(44,367)	(31,946)
Cash Inflows		
Sale of Non-Current Assets	457	606
Other Receipts from Investing Activities	14,843	15,964
	15,300	16,570
Total	(29,067)	(15,376)

G18. Cash and Cash Equivalents

The balance of group cash and cash equivalents is made up of the following:

Cash and Cash Equivalents	2022/2023 £000	2021/2022 £000
Cash Held by the Authority	53	52
Bank Accounts	(761)	12,339
Short-term investments	54,000	79,000
Total Cash & Cash Equivalents	53,292	91,391



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Cyngor Bwrdeistref Sirol

Blaenau Gwent

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